Daily Report

Latin America

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Cuba

Castro Reported To Release 6 Political Prisoners

PA2605163195 Mexico City NOTIMEX in Spanish 1430 GMT 26 May 95

[FBIS Translated Text] Paris, 26 May (NOTIMEX) — Cuban President Fidel Castro told the French human rights organization France-Libertes that he will release six political prisoners to demonstrate his government's "political good will."

A list of the persons benefited by this measure was presented to the organization on Friday [26 May], although without mentioning the release date. The list includes Sebastian Arcos Bergnes, brother to Gustavo Arcos Bergnes and vice chairman of the Cuban Human Rights Committee [CCDH], who was sentenced to four years and eight months imprisonment in October 1992 for "disseminating enemy propaganda." The others are Indamiro Restano, sentenced to 10 years in May 1992 for "rebellion," Agustin Figueredo, Pedro Antonio Castillo Ferrer, Ismael Salvia Ricardo, and Luis Enrique Gonzalez Ogra. A seventh prisoner, Omar del Pozo Marrero, who suffers from high blood pressure, will be interned in a hospital.

According to Amnesty International, there are at least 500 political prisoners in Cuba.

In Paris, Castro's announced measure was interpreted as a gesture of gratefulness to former French President Francois Mitterrand and wife Danielle, the president of France-Libertes.

A France-Libertes investigation commission that flew to Havana early in April asked Castro to release all political prisoners so Washington could be pressured into lifting the unilateral embargo imposed on Cuba.

Ministry Spokesman Announces Release of Political Prisoners

PA3005003395 Mexico City NOTIMEX in Spanish 2256 GMT 29 May 95

[FBIS Translated Text] Havana, 29 May (NOTIMEX) — The Cuban Government today announced it has decided to release six political prisoners, as requested in early May by a visiting delegation from the French organization France Libertes.

Cuban Foreign Ministry spokesman Miguel Alfonso told the media that four of the prisoners who were in the Cuban provinces had been released at 1700 (2100 GMT) on 29 May, adding that the other two will be released very soon.

The spokesman said Cuban authorities agreed to release them in response to the "explicit interest" the delegation showed when it visited eight prisons on the island, met with 24 inmates, and prepared a report on its tour.

Following a request made in March by Danielle Mitterrand, wife of former French President Francois Mitterrand and chairwoman of France Libertes, President Fidel Castro agreed to the visit by the humanitarian group.

The releases represent "additional evidence that Cuba is open and has nothing to hide in its policies or treatment" of prisoners, the spokesman pointed out. He also said he did not know whether any conditions were placed on the release the inmates, and he failed to explain the legal manner (pardon, amnesty, or probation, according to Cuban laws) under which the releases took place.

Doctors of the World, Human Rights Watch/Americas, and the International Human Rights Federation also were represented in the delegation.

Spokesman Alfonso explained that Agustin Figueredo Figueredo, who was held at Las Mangas Prison in the eastern province of Granma, and who was sentenced to 12 years in prison for conducting a subversive campaign, and Pedro Antonio Castillo Ferrer, who was sentenced for the same crime in the central region of Ciego de Avila, have been released. The delegation reported that the health of Figueredo and Castillo "deserved more thorough attention" than they were receiving in the prisons, Alfonso underscored.

"As an additional gesture," the Cuban Government also freed Ismael Salvia Ricardo and Luis Enrique Gonzalez Ogra, who were interned in the eastern province of Santiago de Cuba. The Foreign Ministry official noted that the delegation had also asked to check on the health of these two inmates.

Indamiro Restano Diaz and Sebastian Arcos Bergnes were still in prison as of this afternoon. However, the decision to release them had already been made, Alfono pointed out while refusing to announce when they will be released.

The spokesman added that authorities refused to allow a seventh release — namely, that of Omar Del Pozo Marrero's, who, according to the spokesman, is suffering from "a slight case of hypertension, which can be treated easily" in the Havana Province prison where he is being held.

Restano has been jailed at the Combinado del Este Prison in Havana since December 1991. He was sentenced to 10 years for the crime of rebellion. Meanwhile, Arcos has been jailed at the Ariza Prison in southwestern Cienfuegos Province since January 1992. He was sentenced to eight years for disseminating enemy propaganda. The activist had already spent 10 years in jail.

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Along with his brother Gustavo, a former supporter of the Cuban revolution, he heads an illegal human rights committee.

Nuccio Appointment Viewed With 'Modest Optimism'

PA2705182095 Havana PRENSA LATINA in Spanish 1911 GMT 26 May 95

[FBIS Translated Text] Havana, 26 May (PL) — Richard Nuccio's appointment yesterday as President William Clinton's special adviser on Cuba was greeted here today with modest optimism by academic and specialized groups in this capital.

Nuccio, who until yesterday served as an adviser to Deputy Secretary of State Alexander Watson, will from now on be responsible for the full-time coordination of the Clinton administration's general policy toward Cuba.

His appointment, which specialists in the two capitals deemed unexpected, "points to the high priority President Clinton has given to his country's policy toward Cuba," according to an official White House communique.

The measure, which follows the recent signing of an important migration agreement between the two countries, might imply a turn toward more realistic U.S. Government positions vis-a-vis Havana, according to academicians and specialists consulted by PRENSA LATINA.

Meanwhile, the Cuban Foreign Ministry abstained from making any comment because it believes the move to be an internal affair of the U.S. Government.

As adviser to Democrat Congressman Robert Torricelli, the U.S. diplomat played a leading role in drafting the text of controversial legislation approved in 1992 entitled "The Cuban Democracy Act."

Although its main objective sought to intensify the blockade on Cuba, its text also left room for increased communications, contacts, and exchanges between the two countries. It also provided a new interpretation or a modernized version of the "carrot and stick" policy.

The law was later adopted as the White House's official policy toward Cuba, although authorities and specialists from the two countries believe the "stick" has been used more often than the "carrot" in the four [as received] years of the Clinton administration.

Although Nuccio was considered a moderate liberal and a supporter of maintained economic pressure on Cuba, he has shown willingness to strike a greater balance in the administration's policy within the same framework established by the legislation also known as Torricelli law.

"The announcement comes as a surprise, but it is interesting," said Rosa Lopez, researcher at Havana University's Center for U.S. Studies, in response to questions from PRENSA LATINA.

The Clinton Administration's political determination to set itself apart from right-wing radicals in Miami and in Congress and to adopt a more realistic position toward Cuba, she added. [sentence as received]

In addition, she noted, this announcement constitutes an indication of the President's new interest in Cuba following the signing of a recent migration agreement and the beginning of congressional debates on the Helms-Burton bill.

If this measure, which seeks the intensification and a greater internationalization of the U.S. blockade on Cuba, is approved, it could lead the United States (?to a confrontation with) its leading allies in Europe, Canada, and Latin America.

"We will have to wait a little longer, but anyway this seems to be, at first sight, an interesting turn in U.S. policy toward Cuba and a positive sign," according to Pedro Monreal, researcher at the Center for American Studies (CEA).

He stressed that Nuccio is recognized as a proficient specialist in Latin American affairs, particularly Cuban affairs, and has ample experience in congressional procedures, which could facilitate communication between the President and Congress.

The White House has stated its concern over the extraterritorial nature of the Helms-Burton bill and has urged its proponents to negotiate on aspects that are unacceptable to the President.

Nuccio made a brief visit to this capital in late April in his capacity as adviser to the under secretary of state for Latin American affairs, at which time he met with mid-level officials from the parliament and the ministries of foreign relations and finance.

Vice Minister on Nuccio's Appointment, Rafters in Panama

PA2705174295 Panama City ACAN in Spanish 1519 GMT 27 May 95

[By Fabio Agrana]

[FBIS Translated Text] Panama City, 27 May (ACAN-EFE) — Jorge Bolanos, Cuban vice minister for foreign

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relations, has said here that Cuba's opening to investment and foreign private capital will not jeopardize the foundations on which its socialist system is based.

While visiting Panama to preside over ceremonies to mark the "centennial of the death in combat" of Cuban founding father Jose Marti organized by the Cuban Embassy, Vice Minister Bolanos told ACAN-EFE that Cuba's opening "will not be a mere opening· it will be a programmed and planned opening."

He added, "We will call for foreign investments and capital in areas we believe will contribute to upholding the social victories of the revolution."

Bolanos pointed out, however, "We will try to prevent these investments from damaging in any way whatsoever our socialist foundations and essence — things we will not renounce."

In Bolanos' opinion, Cuba's opening to foreign investment is necessary, because Cuba is a "blockaded country that has no international credit, is being subjected to a policy of harassment, and, therefore, must seek sources of external financing."

In this regard, he stressed that domestic savings cannot be a viable alternative for Cuba, because the policy of isolation and the economic embargo to which the United States is subjecting the nation is "choking off" this possibility. "Therefore, we need these foreign investments."

As for the sectors that could benefit from these investments, Vice Minister Bolanos explained that there is one sector that is "quite enthusiastic" about this possibility — the tourism sector. Moreover, there are also other interested sectors, such as the mining and port sectors, "and others could follow suit."

The Cuban official stressed that Cuba "has appealed for foreign investments to balance and jump start its development," explaining that the capitalization program stems from the development project of the Cuban state.

On another subject, the vice minister voiced skepticism over U.S. President Bill Clinton's appointment of Richard Nuccio as the new White House special adviser for Cuban affairs.

"I would not dare hazard a guess on Nuccio's ability to attend to Cuban affairs, because U.S. policies toward our country are somewhat absurd and have not been characterized by reasonable decisions," the official stated.

"Nuccio, on the other hand," he went on, "is not an individual we know, and we do not know how he behaves." Nevertheless, Bolanos added, "If we are going to judge him by his previous actions, in his most recent post he served as an aide to Senator Robert Torricelli, who was one of the people who led the way for the toughening of the economic blockade against Cuba at a time when the end of the Cold War argued against this blockade."

Regarding the Cuban-U.S. migration agreement that will let more than 15,000 rafters confined at the U.S. Guantanamo Naval Base in Cuba enter the United States, Bolanos said it was a "positive" arrangement between the two countries.

"Regardless of the differences and the disputes separating two independent countries, the agreement shows that when these countries sit down and hold talks as equals and are determined to seek solutions, solutions can be found and reached," he emphasized.

As for the four rafters still living in Panama, Bolanos said they do not meet the requirements to seek political asylum in Panamanian territory, because they are not being persecuted and because they have no pending legal cases in Cuba.

The government official added that none of the four Cubans who have remained in hiding since January, when they escaped from the camps along the Panama Canal where they were housed with more than 8,000 other "rafters," fits the legal conditions for asylum.

"They are not being politically persecuted in Cuba, nor do they have pending cases with Cuban justice. This is why the word asylum is not appropriate" for them, the Cuban vice minister asserted at a news conference.

Meanwhile, the Panamanian Government has maintained it will not grant visas to the four "rafters," who have been identified as Wilfredo Romanes, Danilo Sanchez, Orlando Romanes, and Jorge Luis Echemendia.

Bolanos pointed out that the situation of the four rafters "is beyond our purview."

From September 1994 and February 1995, more than 8,000 Cuban "rafters" were transferred from Guantanamo to Panama, 1,000 of which staged violent incidents, leaving two people dead after having drowned in the Panama Canal while attempting to flee.

In contrast to the case of the four Cubans, "rafter" Miguel Rodriguez arrived in Panama on 25 May from the U.S. Guantanamo Base in Cuba. The Panamanian Government granted him a visa that will allow him to live in the country along with his relatives.

Of the total Cubans who arrived in Panama, approximately 1,300 were able to provisionally enter the United

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States. Most of them were suffering from chronic diseases or were children or elderly people and their relatives. Spain accepted another 110 as refugees, and 10 more went to Venezuela.

U.S. Bill To Cut Foreign Aid May Prove 'Relief'

FL2605163895 Havana Radio Rebelde Network in Spanish 1155 GMT 26 May 95

[Commentary by Eduardo Dimas from the "Doing Radio" program]

[FBIS Translated Text] The contrast among the interests of developed capitalist nations seemed sharper following the socialist bloc's collapse. It is no longer a case of unifying to struggle against a perceived common enemy overshadowing any differences. Old grudges are resurfacing, particularly in aggressive extreme right-wing circles. They see the chance to assume political leadership and apply their ideological concepts to society. This is not new: This was the case on the eve of World War I, as well World War II. Of course, this does not mean that we find ourselves on the threshold of World War III, since the extreme right recognizes it would be the last war. Nevertheless, this remains very dangerous to world stability. This is especially so for the Third World, since the reaction, when it is strongly felt, attempts to impose its viewpoint.

We have witnessed confrontation between extreme right-wing Republicans — who dominate Congress — and the executive power during the last several months. The major Republican players' aggressiveness toward President Clinton, in part, reflects their euphoria over their 1994 election victory and their intent to rout him from the Presidency in 1996, as well as the support of certain sectors of the powerful elite with the same ideology who do not carefully consider the ramifications of approving laws that threaten many U.S. citizens' standard of living. The House of Representatives recently approved a $16.4 billion cut in the 1995-96 budget, which affects the funding of 60 social programs. They also approved a bill to reduce government expenses that does away with hundreds of federal programs and cuts many more, to be implemented at the beginning of the next fiscal year. Although the Senate approved this bill yesterday, President Clinton said he will veto it.

Now, let us turn to politics outside the United States. On 24 May, President Clinton announced his decision to veto another bill presented in the House of Representatives to reduce the budget and change certain budget guidelines. Clinton called the new bill a direct attack on the President's authority over U.S. foreign policy. Although he did not say so, it would be a violation of the U.S. Constitution. The bill proposes to cut the foreign aid budget by $1 billion this year and continue reducing it in subsequent years until the current $20.4 billion budget reaches $15.6 billion. Many nations — including Cuba — would actually consider this a relief: It would restrict the United States in its efforts to manipulate and would ease the indisputable need to reduce the U.S. budget deficit, which year after year requires $100 billion in loans to cover expenses. It is reasonable to reduce those foreign expenditures now that the Cold War has ended. From the U.S. standpoint, Clinton is right to declare the United States the winner of the Cold War and to say that they should take advantage of the opportunity and confront the new challenges that the circumstances present. The bill proposes policy changes regarding Cuba, Russia, the SRV, and the DPRK. As for Cuba, the bill proposes to void the new migration agreement; as for Russia, the SRV, and the DPRK, the bill proposes highly unrealistic and forceful measures. Clinton has already said that he will also veto this bill.

At any rate, if there is one constant in the projection of the extreme right's foreign policy it is extortion and blackmail. This should serve as a warning. It is always easy to be an armchair quarterback; to a certain degree, that is what we're doing now. For the moment, the extreme right is trying to derail a President, ignore him, and continue incorporating executive powers into legislative powers where they feel powerful. However, they could actually succeed in controlling the government and applying their ideology to all aspects of foreign policy; in that event, the situation would become dangerous, and we must prepare ourselves for it. Time will tell.

Spokesman Asserts No U.S. Properties Exist on Island

PA2605185295 Havana PRENSA LATINA in Spanish 1829 GMT 25 May 95

[By Angel E. Pino]

[FBIS Translated Text] Havana, 25 May (PL) — A Foreign Relations Ministry spokesman today asserted that the properties the United States owned in Cuba were confiscated as part of a process that fully complied with international law, was not discriminatory, and was completely transparent.

Rafael Dausa, chief of the ministry's Information and Analysis Department, stressed that, by virtue of Cuba's legal actions, "there are no U.S. properties of any type whatsoever" on the island.

As part of the economic reforms the revolutionary government has implemented following the collapse of

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the socialist bloc and the disintegration of the Soviet Union, Cuba has developed an aggressive international policy to attract foreign investments.

Hundreds of companies from many countries, including the United States, have visited Havana since that time and are now interested in the business opportunities opening here and the potential of the Cuban market.

More than 180 foreign firms are already operating in the country in several ventures (joint enterprises or associations) with Cuban entities. According to official figures, these ventures represent some $1 billion in investments.

Concerned about this growing trend, the U.S. State Department has warned foreign governments and companies that all agreements with Cuba involving properties claimed by Washington are illegal and will be declared void once the revolutionary government is ousted.

In statements to PRENSA LATINA, Dausa explained that the diplomatic offensive the United States is conducting is geared toward "confusing and intimidating" foreign companies to prevent them from investing in Cuban territory.

He noted that Decree-Law 851, which was enacted on 6 July 1960, established proper guidelines and procedures to compensate for the foreign properties that were nationalized.

The U.S. Supreme Court itself, he went on, upheld the legality of this move in March 1964. Nevertheless, the aggressive policies of successive Washington administrations have so far prevented any possibility of resolving the conflict by means of negotiations, as has been the case with other countries.

In 1972, as the deadline expired for U.S. owners to claim assets nationalized by the island, the U.S. Foreign Claims Settlement Commission stated that 1,972 cases covering some $1.8 billion in assets had been filed by that time.

Meanwhile, if Congress approves the amendment now being promoted by legislators Jesse Helms and Dan Burton, the amount Cuba would be expected to pay for compensation would reach the astronomical sum of $100 billion, as the properties of Cubans who emigrated beginning in 1959 and who became U.S. citizens are added to the total.

Dausa described the initiative as "a mockery of international law," and he affirmed that no nation, regardless of how powerful it is, has the right to determine what any other country does within its borders.

The Cuban Foreign Ministry spokesman accused the United States of intending to become "a censor on foreign investments," and he noted that this policy has encountered strong international opposition.

The United States broke off diplomatic relations with Cuba in January 1961, only two years after the victory of the revolution. It then imposed an ironclad economic blockade that, according to estimates by Cuban authorities, has cost the nation more than $40 billion.

Cuba is willing to negotiate all pending issues in the conflict, including the compensation issue, with any Washington administration, but only if these negotiations are based on equality and mutual respect, the spokesman pointed out.

He also explained that Cuba maintains the right to file a claim for damages inflicted by the blockade and past aggressions against Cuban economy.

Commentary Views 'Hare-Brained' Helms-Burton Proposal

PA2805161095 Havana Radio Havana Cuba in Spanish 0000 GMT 28 May 95

[Station commentary from the "Radio Havana Cuba Comments" segment within the "Evening Information Review" program; read by Norberto Hernandez]

[FBIS Translated Text] Most of the provisions of the hare-brained bill by Senator Jesse Helms and Representative Dan Burton could only be implemented in the wild event that Cuba were to be completely occupied by U.S. military forces. The bill has been presented before the U.S. Congress to increase the U.S. economic blockade against Cuba. Just to mention one example, we could choose giving back U.S. property that was expropriated after the triumph of the revolution. This is one of the most difficult provisions to execute. First of all, this could not be carried out from the United States, but only with a firm stand on Cuban territory. The country would have to be completely destroyed, and the people's armed resistance totally crushed. Then there would be very little for the empire's custodians to recover.

Cuba confiscated the property in executing its right to dispose of the nation's assets and without violating any international legislation. International law only requires compensation to the owners of the confiscated assets. The revolutionary government did so, through Decree 851 of 6 July, 1960, after the U.S. Government had launched its offensive against the Cuban revolution. That decree listed the requirements and procedures for compensating the owners of the assets, which became the property of the Cuban State. At that time, property confiscated from U.S. companies operating in Cuba was estimated to be worth $1.8 billion. It was officially

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proposed that compensation be accomplished using part of the income from annual sugar sales. Cuba is the world's leading sugar exporter.

Washington arrogantly rejected the proposal. The administration of President John F. Kennedy began to take economic measures against Cuba, including the cancellation of its large sugar purchases. At that time, Cuba was receiving most of the foreign currency it needed to survive economically from such sales. After this the complete separation of the two countries began. Cuba's right to carry out these confiscations was even recognized by the U.S. Supreme Court, in March of 1964. U.S. companies filed 1,972 claims for a total of $1.8 billion.

The recent Helms-Burton bill, however, extends this right to claim compensation to the embezzling Cubans whose properties, which they had stolen from the people, had also been confiscated, provided these Cubans are now U.S. citizens. This would increase the claim to $100 billion, an amount Cuba would never be able to pay even in installments, no matter how well-intentioned it might be. The idea is inconceivable, unacceptable, and unapplicable, for the aforementioned reasons.

The main objective of this clearly imperialist measure seems to be none other than to intimidate foreign investors who have entered into joint ventures and partnerships with the Cuban state, while enjoying the profits and advantages of the current economic adjustment measures in Cuba. They want to scare away their competitors so the Cuban economy can again be at their full disposal. They are worried to see that their arrogant and aggressive anti-Cuban policy is preventing them from partaking in the benefits of a future relationship with Cuba. Such a thing cannot be accomplished with mere decrees dictated from within U.S. territory and whose implementation cost would be prohibitive.

Alarcon Meets Paraguayan Delegation on Helms-Burton Bill

FL2605171795 Havana Radio Progreso Network in Spanish 1100 GMT 26 May 95

[From the "First Thing" program]

[FBIS Translated Text] Ricardo Alarcon, president of the National Assembly of the People's Government [ANPP], has met the Paraguayan delegation visiting Cuba. Alarcon discussed the Helms-Burton bill, currently under discussion in the U.S. Congress, as well as other issues relating to Cuba's current situation. Senator Basilio Nikiphoroff, Paraguayan Senate first vice president, reaffirmed his promise to introduce a motion in the Paraguayan parliament condemning the monstrous anti-Cuban legislation under discussion in the United States. Senator Rodrigo Campos Cervera, president of the Paraguayan Senate's constitutional affairs and national defense commission, told Radio Progreso of his impressions during his visit to Cuba:

[Begin Cervera recording] I wish to express to this Cuban radio station my personal satisfaction, as well as that of all commission members, with our impression of Cuba, its people, and various sites we have visited. I have learned very valuable information about what life is really like in Cuba, as well as its process, which has been highly distorted by interests that we do not share. We have witnessed the Cuban people's very real appreciation for their system while carrying out our brief but extremely busy agenda. This should be a source of great satisfaction to you, as well as incentive to continue advancing. [end recording]

The Paraguayan delegation has carried out a very busy agenda since arriving on 22 May, including meetings with Commander in Chief Fidel Castro and government and state leaders. They also visited the Finlay Institute and Havana's historic district. Senator Nikiphoroff and his delegation wind up their visit at the ANPP's invitation on 28 May.

Robaina Begins Official Visit to Belarus

FL2705020395 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 27 May 95

[From the "NTV" newscast]

[FBIS Translated Text] Cuban Foreign Minister Roberto Robaina today began an official visit to Belarus to strengthen bilateral relations. His agenda includes meetings with President Alexsandr Lukashenko, Prime Minister Mikhail Chigir, Foreign Minister Vladimir Senko, and ministers of Foreign Economic Relations and Agriculture, among other officials.

Robaina arrived in Minsk after visiting Russia and Ukraine during the first tour by a high-level Cuban delegation since 1989.

Belarusian Leader Expresses Desire for 'Traditional Ties'

PA2705161195 Havana PRENSA LATINA in Spanish 1420 GMT 27 May 95

[FBIS Translated Text] Minsk, 27 May (PL) — Belarusian President Alyaksandr Lukashenka today received Cuban Foreign Minister Roberto Robaina and stated his profound respect for the courage and firmness with which the Caribbean island's people have defended their cause.

The Belarusian statesman said he awaited with great interest and hope his dialogue with Robaina in order that

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he could reaffirm Minsk's willingness to seek specific ways to reactivate traditional ties with the Antillean nation.

Lukashenka said: We welcome with approval and enthusiasm all those things that link us to Cuba, and you may count on the necessary support in our joint efforts to restore economic and commercial ties.

The Belarusian president emphasized: The Cuban people's firmness and their confidence in the future over the past decades deserve our most profound respect.

During the talks, Robaina briefed Lukashenka on the current situation in his country and the difficulties faced by the people, who, through great sacrifice, withstood the socialist bloc's collapse in 1989 and the disruption of favorable trade relations.

The Cuban foreign minister arrived yesterday in this city, where he was welcomed by his counterpart, Uladzimir Syanko, for a two-day official visit on the last leg of a regional tour that also took him to the Ukraine and Russia.

Robaina's agenda here also includes talks with Syanko, Prime Minister Mikhail Chyhir, and other government officials. He will also deposit a wreath at the obelisk dedicated to those who died during the Great Patriotic War.

Welcomes Foreign Minister Robaina

PA2805135495 Havana Radio Havana Cuba in Spanish 0000 GMT 28 May 95

[From the "Evening Information Review" newscast]

[FBIS Translated Text] Belarus President Alyaksandr Lukashenka has voiced his profound respect for the firmness and courage of the Cuban people in defending their own cause, and he reaffirmed Minsk's willingness to reactivate traditional ties with the Caribbean island.

On 27 May, Lukashenka welcomed Cuban Foreign Minister Roberto Robaina, who in Belarus will close a tour of three former Soviet republics.

In his talks, Robaina discussed Cuba's current situation and the firmness of its people. This allowed the country, he noted, to resist the collapse of the Socialist bloc and the rupture of favorable exchanges.

The foreign minister arrived in Minsk on 26 May and was greeted by his counterpart Uladzimir Syanko. His schedule will also include talks with Prime Minister Mikhail Chyhir and other government officials.

Robaina Meets With Belarusian President Lukashenko

FL2805195895 Havana Radio Rebelde Network in Spanish 1700 GMT 27 May 95

[From the "National Radio News"]

[FBIS Translated Text] Belarusian President Aleksandr Lukashenko met today with Cuban Foreign Minister Roberto Robaina, who with this visit, concludes a tour through three republics of the former Soviet Union. The Belarusian president expressed to Robaina his profound respect for the Cuban people's courage and strength in defending its cause. In the interview, the statesman reiterated to the Cuban Foreign Minister Belarus' willingness to establish the necessary means of reactivating traditional ties with Cuba. Lukashenko said: We welcome anything that unites us with the Cuban people. He want to say that Cuba can count on Belarus' cooperation in reestablishing economic and trade relations.

During the meeting, Robaina briefed Lukashenko on Cuba's current situation and the difficulties and tremendous sacrifices the people are facing, which have allowed them to withstand the collapse of the Socialist Bloc in 1989 and the rupture of favorable trade.

Robaina's agenda includes meetings with his counterpart Vladimir Senko, Prime Minister Mikhail Chigir, and other officials of the Belarusian Government.

Robaina Meets Belarusian Prime Minister, Concludes Visit

PA2905021495 Havana PRENSA LATINA in Spanish 0013 GMT 29 May 95

[FBIS Translated Text] Minsk, 28 May (PL) — Belarusian Prime Minister Mikhail Chyhir today received Cuban Foreign Minister Roberto Robaina, who concluded his visit to the country and, with it, his tour through three important former Soviet republics.

The Cuban foreign minister ended a tour that included former USSR republics with which Havana carried out most of its commercial and economic exchange until 1989 — Russia, Ukraine, and Belarus.

The head of Cuban diplomacy met yesterday with Alyaksandr Lukashenka, president of the Republic of Belarus, as well as the foreign, agriculture, and foreign trade ministers.

Prime Minister Chyhir, who received Robaina at the government headquarters today, stated his hope that the visit will help develop economic relations between the two states.

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He also placed emphasis on the historical ties between his country and Cuba at a time when the Soviet Union existed; and he said those ties had been affected when the Soviet Union disappeared.

The Belarusian prime minister said a lack of liquidity and transportation problems jeopardize the development of those ties, but he stated his willingness to seek exchange formulas that are favorable for both countries.

Moreover, Cuban Foreign Minister Roberto Robaina stated Cuba's willingness to develop trade and bilateral cooperation with the Republic of Belarus based on mutually beneficial exchanges.

Robaina said the almost complete disappearance of bilateral relations in 1989 provoked a crisis in the Cuban economy "that was only resisted because of the Cuban people's heroism and courage."

The head of Cuban diplomacy also participated today in three officials meetings with his Belarusian counterpart, Uladzimir Syanko, with whom he talked about various topics of common interest, including an assessment of the two countries' situations.

On his final day in Belarus today, Robaina placed a wreath at the monument dedicated to those who died during the Great Patriotic War.

Start of New Relationship With Russia Hailed

PA2705141895 Havana Radio Havana Cuba in Spanish 0000 GMT 27 May 95

[Station commentary read by Norberto Hernandez Valdez; from the "Evening Information Review" newscast]

[FBIS Translated Text] In recent years, following the disappearance of the Soviet Union, relations between Havana and Moscow have drifted in an atmosphere of uncertainty. Russia, the country that was the center of the great multinational Soviet state, abandoned communist ideology and publicly said relations with Cuba would be depoliticized and instead would be based solely on generally accepted diplomatic norms. In terms of economics, payments and collections would be made in dollars and commercial ties would be governed by mutual convenience, as is the case with other states.

These developments erected an icy mountain between the two countries which had previously been united by fraternal friendship and by common ideological, political, and economic interests. Cuba maintained 85 percent of its foreign economic relations with the Soviet Union and other European socialist countries. The Cuban people felt great affection, admiration, and gratitude to the people of Lenin, and they continue to do so, but they could not avoid feeling sad for the harsh and complete turnaround engendered by the collapse of the very heart of socialism.

Very ambiguous relations between the two countries were characteristic of the early 1990's. The effect of the old relationship, however, could be felt, and it is a known fact that many in Russia sincerely lamented the obligatory freeze.

Nevertheless, one cannot overlook the reality of the close ties that still exist between the two countries and the effects they have had for more than three decades. Russia was an important consumer of Cuban sugar and Cuba was an important consumer of Russian oil. Many other products have united the Russian and Cuban economies, and it is logical that the two countries will find a way to mutually benefit from this reality.

The visit of Cuban Foreign Minister Roberto Robaina seems to have been the culminating moment for the start of a new and stable and relationship that will be beneficial to both countries. The statements of the two foreign ministers reflected this at the conclusion of official talks.

We can expect with good reason that the start of a new phase of Russian-Cuban relations will have solid foundations and great development perspectives. The two parties are fully willing to become involved in this.

Alarcon Interview on Elections

FL2605184595 Havana Radio Progreso Network in Spanish 1800 GMT 20 May 95

[Interview with Ricardo Alarcon de Quesada, president of the National Assembly of the People's Government, by journalists Susana Lee, Alexis Llorente, and Alejandro Marcel Mayo, and hosted by Luis Orlando Pantojas; from the "I Have an Opinion" program rebroadcast of the 17 and 18 May "I Have an Opinion" programs, including "a dialogue among Alarcon and a small group of reporters" — recorded]

[FBIS Translated Text] [Pantojas] The issue is the elections. Two aspects of the same process are coinciding in time. In this case, the progress reports process and the nomination of candidates for delegates of the people's government at municipal level. This is a new situation within the entire process which has been taking place all along. Why this is begin done in this manner now?

[Alarcon] First of all, the law stipulates that municipal assemblies are to be renewed every two and half years. Therefore, the term of the current district delegates is about to expire. The law also stipulates that the delegates must render progress reports twice a year. In this case,

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the last semester happens to coincide with the beginning of the electoral process. I also believe that it is important to further develop this first step, this first phase of the electoral process. In our case, not only on the day of the elections does the citizen vote for his chosen candidate in his district for whatever reasons he deems important, the process begins now when the citizens choose the candidates themselves. What better time than the moment when a collective analysis of what has been done or not, shortcomings, and accomplishments, an assessment of the final period of performance of that delegate, to have the voters chose the candidates?

[Pantojas] As you know, in many places there have been problems with the progress report process. People have gotten used to routine, have fallen in a rot in terms of response and solutions to problems. This has turned some assemblies into a routine. The fact that these two processes are taking place at the same time, will it not affect the quality of the process?

[Alarcon] It should be the other way around. I agree that in more than one place, and more than one time, the process has ailed from routine and certain ways of doing things which is not the ideal. I believe that we have to break away from certain patterns, certain formalities, and see these progress reports as a formal ceremony where the delegate renders a report on what he did, what he was able to do regarding the issues brought up by the voters in the previous assembly. I believe we need to continue working so that as is already happening in many places in Cuba, it becomes, above all, an important moment in the base. I believe that the most efficient delegate, the most successful delegate is one that is not only patriotic, decent, honest, and someone who does not profit from his conditions of representative of the people, like all others, but someone who dedicates most of his time to solve the problems of the community, despite all the problems that he has just as any other citizen. The delegate must be above all, and this is what we need to seek in this electoral process, a comrade who has the necessary qualities to become a community leader. A comrade, whose main job is that of an organizer, someone who mobilizes the resources and potential of the people in every community.

An analysis of the experiences of our delegates and the people's councils, the experiences at the base, reveals that there are differences. There are places were some problems can be solved and in other places this is not possible. It is not a problem of material resources alone. The difference lies, above all in my opinion, in the different degrees of development of collective mobilization, in the participation of the people in the search for solutions. This must be the core of the people's government efforts, must be the core of all our efforts in the electoral process, from the nomination to the elections themselves, as well as in the daily efforts of the delegate.

In other words, the most important thing in the phase we embarked on this month, is trying to use the collective wisdom and opinion, district by district, to choose the comrades we believe best exhibit those qualities, those characteristics. Later on, we will have to select from among them, from the nominations that will be made in July. Beginning now, we must consider the work and responsibility that comrade will have to discharge not as a simple delegation of authority, not as a matter of laying on his or her shoulders the responsibility of finding solutions to the problems of the community, but as our leader, the one who should lead all, and guide all of us to solve everything that can be solved at the base level with everyone's participation, excluding, of course, certain problems which rely on material resources which are currently not feasible.

[Pantojas] Regarding what you said about the attitude and qualities of the delegate, in addition to what you said about the participation of the masses, the voters: What about the involvement, attitude, and respect by the heads of the government's administrative councils toward the delegate?

[Alarcon] Of course, this is an ongoing struggle. However, when a local official feels that he is not simply discussing an issue with an individual, regardless of his prestige, but he is talking with someone who embodies an entire group, the delegate's position is strengthened. In addition to the officials' legal obligation to comply with and respect the constitutional, and legal authority of the delegate who is a representative of the entire community, and whose authority is above that of any local official. In addition to that, to the legal power, I believe the political power is very important. In the same measure that comrade fully represents and acts on behalf of a collective which the local government is aware is embodied by that man or woman, the delegate gains in terms of persuasion or why not say it, in term of the pressure, frequently necessary, he or she can exert to break down certain practices and habits, or defects which are still present in some of our cadres and are true obstacles to solve the problems of the people.

[Pantojas] Therefore, a delegate not only has the legal power granted by our Constitution but also a political position, a moral position by virtue of his attitude toward work and in confronting problems.

[Alarcon] He is, definitely, the top authority in that district. He has been elected by the people to discharge that responsibility. This is why I say that he is the most important political figure in that place and thus he has

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to act politically. He has to understand his job as that of a political leader. He is the one who raises awareness, mobilizes, organizes; he directs the collective will which selected him to discharge that very responsibility. In the measure he acts thus, many problems will be confronted more successfully by the collective, by the community, as well as have more power to discuss with and pressure whomever they have to pressure or convince.

[Pantojas] The delegate also has to struggle hard against the laziness of people who have a solution at hand and yet do not help.

[Alarcon] Of course, and that is perhaps one of the things that irritate our people the most, one of things that injure the patriotic sensibility of the people the most. That is what it is all about, to give it political content, organize, and systematize those feelings of the people through that very individual the people are going to choose. In other words, we have to avoid formalism, routine. It is more than just going to a nomination meeting to select one or another comrade and then vote for one or another comrade on election day. From this very moment, we must endeavor to feel as true coparticipants in that process, beginning with the depth of the discussion, the awareness, and listening to everyone's opinion in order to find the best candidate.

[Pantoja] A number of accords by the National Electoral Commission were issued on the ethics which should characterize our democratic electoral process. What motivated these accords?

[Alarcon] I believe that we should feel proud of the cleanliness and integrity of our system and have to endeavor, guarantee, and ensure that it continues to be thus. These accords from the National Electoral Commission which were published today, would be incomprehensible in other countries. This is why in other countries the people do not care to vote or feel in any way involved in the process.

[Pantojas] The absenteeism is enormous.

[Alarcon] That is the result of corruption. If you have a country were it is known that it takes 20, 30, or 40 million to get into office, logically no one can think that individuals from the very people have a chance to get nominated. Not so here. Here, it is a deeply democratic exercise, deeply of the people. We have to ensure that it is done with extreme rectitude. It is exactly the opposite of what older Cubans remember as the period of corruption, of absolute sham which were the so-called elections in this country. I believe this is one of the essential accomplishments of the Revolution, the cleanliness of our political system, the honesty of our political system, which stems from the absolute integrity of the entire electoral process from the onset. I believe that this is one of the accomplishments, which together with many others, we must preserve, guarantee, and conduct with the greatest purity.

[Pantojas] I wanted to point something out regarding what you said on the role of the delegate within the district and aspects of ethics, morals, political efforts: Undoubtedly, on many occasions the delegates make great efforts to solve problems and in some localities one finds dedicated, mass involvement efforts, as well people's government and administrative council involvement. I wanted to insist on this because I believe it is an aspect which many delegates confront, the lack of awareness of certain officials when it comes to respond with concrete solutions whenever possible. In this regard: What are the guidelines issued to the diverse work commissions by our government, by the leadership of our parliament?

[Alarcon] first of all, since we were talking about the fact that the nomination process and the delegate's final progress report coincide, I believe it is good to remind all the state managers in this country that they are obliged to attend every assembly held in their area to respond to or help the delegates find solutions to the problems brought up by the people. This is an issue on which most emphasis has been placed. There have been improvements in some municipalities and provinces. In other places there are still people who have not realized it is a constitutional obligation. The delegate is not held accountable for everything. The delegate is held accountable for his efforts, for his actions to confront any type of situation or issue brought up by the people. However, state managers, officials in this country have an obligation to the people, they have to give satisfactory responses and help in the debate with the population, contributing to the collective debate and endure at times the criticism of the people. It is not always fair to direct the criticism toward the delegate when it should be directed to the uncaring, the lazy, the indifferent.

We have to stress that attending those meetings, answering to the people, and giving pertinent explanations is not a favor to the delegate but an obligation.

[Pantojas] We have with us several reporters in the studio. We have Susana Lee, Roberto Hernandez, Luis Alberto Perez, Alemay [Alejandro Mayo], and Alexis LLorente. The first question is from Roberto Hernandez.

[Hernandez] Comrade Alarcon, it is common knowledge that National Assembly of the People's Government [ANPP] deputies will participate in the process of nomination and progress reports in the districts which elected them to the ANPP. What is the goal? What role

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will the deputies play, what political influence will they have?

[Alarcon] I believe it is an expression of a basic principle of our system, the involvement of provincial deputies and delegates with their constituency. Although these elections to not include the deputies — the elections are only for local delegates — I believe it is essential for national deputies and provincial delegates to fully participate in the entire process. They are not going to render progress reports, the municipal delegate is. The nomination process is held first and later the municipal elections. However, I believe this is the most important political activity of every electoral district, as we said yesterday. Logically, provincial deputies and delegates should have the greatest possible presence, get deeply involved, and participate with their constituency in the process.

Also, as we said yesterday, we need great efforts, mobilization, and on many occasions, gathering forces to persuade, convince and confront deficiencies and fight laziness, etc., etc. That is also the task of every deputy and delegate in their territory. We must completely eradicate from our minds that idea of the lone delegate.

[Pantojas] Also, the lone deputy.

[Alarcon] Yes, but we are dealing now with the case of the municipal delegates. I believe it is a basic duty of every deputy to support the delegates, beginning with our direct and personal participation in the process of discussion at the base level. I believe every deputy should try to have an in-depth knowledge of the problems of his electoral districts, all his people's councils, of all his delegates, and also get involved, in whatever measure possible because different deputies have different circumstances. I would say that a great majority of the deputies can and should get involved, and not only attend the meetings, but also get involved and follow up on the issues, and problems brought up and discussed at these group meetings in every community.

[Pantojas] That should be part of their work method.

[Alarcon] It should be a part of their normal, natural style of work, of their very lives. This is simply the implementation of a principle contained in the Constitution and laws, to truly translate into concrete action the involvement between the deputies and the voters.

[Lee] Alarcon, on that same subject: I understand that the ANPP has organized the participation of the provincial deputies and delegates not only for them attend these meetings but also participate in meetings with voters and visit workplaces. How has this been organized?

[Alarcon] A plan has been organized to facilitate this. We have to keep in mind that some deputies have to go to other provinces in order to do this. Some do not have to, they live and work in the same electoral district. This makes it much easier for them. We have a plan, the one you referred to, to guarantee transportation and communication between our deputies and their voters. It has been organized by province, by region, etc. This effort should not end with this plan. This is a plan designed to facilitate, help, and contribute. However, we begin now in May a process that will last into July, and afterward there will be new delegates that will have to continue confronting problems, and dealing with finding solutions, etc. We should see this as a systematic thing, normal, as the usual actions of the provincial deputy and delegate. This has to be understood in a reasonable manner. This is not equally feasible for all comrades. However, all those of us who are able have the basic duty to keep in constant contact with one's base level delegates, and constantly aware of the problems brought up by the community, as well as truly participate in finding the solutions, we should endeavor to find solutions. It should be a common thing that when a delegate is discussing with some manager, for that manager to feel that he is not only talking with someone who embodies the collective will of the neighborhood, but for the delegates to be accompanied by a couple of provincial deputies or delegates. We must try to support that basic link of our system from every angle. By doing this, we are pressuring to solve all that we can solve at this time.

[Hernandez] I would like to go over what we discussed yesterday about the authority of the delegate at the base. Comrade Alarcon said that the delegate should be seen as the main political figure of the district, the individual that should unite and mobilize the masses to solve the main problems, and we discussed the issue of conflicts with certain officials. I would like to further dwell on that: Now, the nomination assemblies are being held, the local officials are going to be present. In some places, the delegates efforts, the involvement of the masses to solve certain problems, due to a lack of resources or political power of the delegate or the masses have not been fully solved yet. [as heard] The local officials can discuss things with the people, talk with the people, explain to the people. The delegate can put the officials on the spot. Such decisions should be taken in the meeting. What is usually done is that the people participate, bring up issues, and then the delegate either gives an answer or not, and collective decisions

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are not made taking advantage of the presence of local official.

[Alarcon] I would not dare to set a rule because life is much more complex. I am sure that there are different types of situations. I can tell you that I attended progress report meetings where — I recall one here in Plaza Municipality, where much was discussed regarding an institution located in the district but there was nobody representing the institution in the meeting. I remember that one comrade, the delegate said: It is not their fault, to begin with, they are not even represented in the meeting. Therefore, she proposed picking another day to meet again, it was at a street corner in El Vedado, and send the delegate, accompanied by a commission, to meet with the manager and agree on a time and day. It might have been impossible to show up for the first meeting but one can always find a time to converse with the population. If one becomes to attached to formalism, and falls into routine, then something as simple as that becomes impossible to arrange. If someone whose presence was important to explain some things was missing from this meeting at this time and day, then, are we going to give up and think we have to wait another six months to have another meeting? Why? The people in the municipality did the right thing. Find out what day and time is convenient, there has to be a day and time that is feasible to hold that discussion, and to that effect hold another meeting.

It is not written anywhere that a formal progress report meeting has to be held once every six months.

These meetings are not a lynching, they are not meant to be a war between the managers and the the population. The managers are simply the people's managers. What are they managing? Resources that belong to all. We cannot see them as the enemy, nor can a manger see himself as a private capitalist. That would be crazy. They are managing resources that belong to the community.

The delegate is the person elected by the people, therefore he is politically superior. This is why I say he is the chosen leader of the people, he, and no else, was elected. Therefore, the delegate has to be respected, otherwise it is like not respecting the people who elected him as their main representative in that community.

I would say that we have to forgo all that drama. It is not meant to be a confrontation between the officials, and the population. It is just the opposite, in the measure that it becomes the norm for officials to comply with the law, which among other aspects demands that things be explained to the people, and it becomes natural, normal, and a relationship of cooperation and understanding develops in the neighborhood between the officials and the population. Both sides will come out ahead. This would be more difficult for some than for others who are not accustomed to it, who have specific personal problems. However, we have to get used to seeing this as a normal trait of our democratic system. That is a true democracy. This is how the owners — the people — exert control over the resources someone manages on behalf of the people.

[Pantojas] You spoke about the duties of the managers and directors of enterprises, etc., who must answer in the assemblies and before the delegate about the efforts and demands made by the community regarding that enterprise or that service facility, or whatever it is.

[Alarcon] Yes, problems related to the community.

[Pantojas] Yes. What also happens is that many of these things conspire against the authority of the delegate because these managers and directors are managing these resources which belong to us, to the people but what happens is that many times all this translates into a negative attitude on the part of certain officials who with just a bit of laziness in responding to the requests of a delegate, it does not have to be a dramatic confrontation, conspires against the authority of the delegate.

[Alarcon] Of course, and it is not only enterprises, but also local government officials who are also obligated to participate, especially if the issue involved is the main problem of the community. This is known through the people who bring the issues and problems up and the delegate is aware of this. This might be the biggest problem in certain localities, for example, issues of food distribution, in another community it might be the infamous poor quality of the bread. If complaints about the quality of the bread are not the major issue, then, of course, it is less vital for the manager of the bakery to be present. However, if it is transportation or any other issue, the representative, official, or whatever from that field cannot be absent. I would say that the only acceptable excuse to miss a meeting is having to attend another progress report meeting in another place at the same time and day. That is the only acceptable excuse: that there was an equally important meeting, and of course, we are smart enough and civilized enough to then make arrangements and change the time or date of the meeting.

[Lee] Comrade Alarcon, I wanted to revisit a point we broached yesterday: The importance of this moment in the electoral process. In other words, progress reports and the nomination process. Yesterday, you said that it was part of the system. That the elections themselves are the act that gives closure to the process, and that this is the moment when we nominate candidates and render reports on what was done. I also believe it could become

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a meeting where opinions are given, where people in the collective analysis can give their opinion on how to improve the work of that or another delegate. Could you speak a little more on the importance these meetings, and the people's attendance and participation in these assemblies.

[Alarcon] I do not believe we can adequately emphasize the importance of the people's participation in these assemblies. To begin with, it is a characteristic found only in Cuba. Anyone who analyzes our electoral system must recognize that that is one of its great virtues. In other words, the one who is going to present himself as a candidate here is not a person with political machinery or funds for a campaign. Those were the politics that existed in our country in the past and that still exist in many parts of the world. This has discouraged many people from the electoral process.

In Cuba, the candidate comes from the people and is nominated by the people who know him. In other words, the people decide twice. Later in June, they will choose among the candidates to be elected as a delegate. But they will also decide — and it is a fundamental decision — who will be nominated as a candidate.

We talk a great deal about the problems, the difficulties, the complexity of this effort, and of the district delegate. We have also discussed the relations that must exist between voters and that delegate, but I believe — and I believe it will be approved in the future — that the quality of these nomination assemblies will be reflected in the quality of the future delegate's work.

What is the first step? Select those who embody the best characteristics and conditions. Who will choose these people? Those he will be representing. To the same degree that we eliminate formalism and superficiality and get to the bottom... [pauses] We must strive so that the candidate who emerges from an assembly is a person we are convinced embodies the best capabilities, creativity, patriotism, personal integrity, and the honesty of the Cuban people. Any variation from this will not fit into our system because no benefit will be attained from that labor — and there is so much work to be done.

However, if the candidate is presented during a truly profound process of collective analysis and discussion, then that candidate is already backed by the people who nominated him. I believe the very citizens who hold an opinion on the work of our delegate can see whatever limitations that delegate might have. Let us remember that we now have the opportunity to participate in the selection of the candidate. This is something that does not exist anywhere else in the world.

In other parts of the world, some political machine or some millionaire decides that the mayor should be John Doe. They fill the streets with campaign posters. And your options are to vote for that John Doe or the other John Doe presented by another millionaire. Not here. Here we have the opportunity to select who we consider the best person. One person may believe that one candidate is best, while another might believe someone else is, but from that dialogue and discussion we find the most appropriate choice. From there, we obtain the best and most capable, the comrades who are in the best position to serve in this important position.

That is why I believe that the process we recently began must be seen as a key piece, or a central element in creating the best conditions for confronting the difficulties and problems the delegate encounters in everyday life. In other words, I believe the first step is fundamental in guaranteeing improved activity in the future. I believe this is important because it has to do with the preparation of those assemblies for optimal conditions as to placeand time of mobilization.

Let us not forget that to vote on election day is a much easier operation than the actual assemblies. The voting takes place throughout an entire day. It is much easier for each citizen to schedule this activity in their normal, everyday life. The assembly, on the other hand, must be held at a determined time. It cannot be an entire day. We must schedule it at a specific time and place. This, however, should not be considered a formality. It should be scheduled at a time when everyone can participate in order to achieve full participation. Participation in establishing criteria and collective judgment are the only ways to ensure that the best person is chosen.

[Mayo] Comrade Alarcon, my question is the following: Will this year's electoral process have the same characteristics as past electoral processes, so far as the election of delegates is concerned, or are there some modifications in view of the current conditions of the special period?

[Alarcon] Well, the modification that comes to mind is the larger number of districts. This is in accordance with the laws that govern the electoral system. As the population grows, logically, the number of delegates increases. We are also seeking greater contact between voters and their representative. I believe there are other important characteristics that have to do with the current situation, in comparison with past elections.

It is clear that we are carrying out this process in the midst of a very complex, difficult situation, which is reflected in the people's everyday life, which is reason enough to execute this initial stage in a serious manner. I would also say that the entire process, from the

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nomination assemblies through the elections, also has a political basis. Furthermore, just as in the election of 1993, we must look at it as a statement of our people's patriotic will.

It is simply a coincidence. It was not our idea for Mr. Helms to go insane and present his bill at this time. We must carry out our elections, regardless. They in themselves are very important for the perfecting of our political system, but in addition to that, the insanity of this man has made these two things coincide at this time.

While we are discussing these matters — which I hope will be done in a serious, profound manner — among our neighboring countries to determine who will best represent us in strengthening our people's system, a group of bums in Washington will be meeting between May and June to decide how this country should be run, what the future of this country should be, who should control the government and who should not, apart from a number of other aberrations included in that bill.

Among other things, the bill proposes reappropriation of houses, farms, factories, and locales where our voters will meet to nominate candidates. I am sure that 99 percent of those locales are being reclaimed by some bum in Miami. In other words, this whole process coincides with a moment in time when outside Cuba, in the grossest manner possible, the counterrevolution is clearly presenting, as never before, what their program for Cuba consists of. What are they after? They seek to resubmerge this country in slavery, racial discrimination, in worse conditions than those that existed when the Revolution triumphed. They also seek to affect each and every one of us, without exception: those who enthusiastically participate in the assemblies and those who do not; those who vote and those who do not. They will take houses, schools, daycare centers, and social centers from everybody. They will impose a brutal regime on everybody.

[Mayo] They will destroy the health care system.

[Alarcon] They will do away with the health care system, the education system, etc. According to the bill, these must be paid for. According to the State Department, they are talking about $100 billion. In other words, our children and our grandchildren will have to pay that alleged debt to those alleged owners.

Let us not forget one thing, since the bill cannot be more precise: The blockade would be intensified, seeking the destruction of the Revolution. But after they supposedly destroy the Revolution, the blockade would remain. It would remain until there is a regime with which the Yankees are satisfied. The blockade would be prolonged until the process of returning properties to their original owners is completed or until compensation is complete. In other words, until everything is returned or until we pay them $100 billion. Take out your pencil and paper and figure out how much sugarcane needs to be cut, how much we have to sweat, how many generations of Cubans have to work hard to come up with $100 billion. It is practically unimaginable.

But that is what they are announcing. It is what they blatantly say they are going to do with this country, through a foreign government, through the law of a foreign power. It is the epitome of arrogance, of denial of the people's right to self-determination, and negation of democracy. In other words, if that infernal scheme were to come about, they would impose these things from abroad and would regulate this country forever .

Therefore, since this gross, blatant threat presents itself just as we are initiating this grassroots process to nominate and elect representatives, should we not view this process as the affirmation of patriotism, an affirmation that we will not allow anyone to take what we have away from us. And to prevent them from taking this away from us, we must come together in its defense.

This coincides with the beginning of the process, which is why I believe it is a golden opportunity. The contrast between the two things is inevitable. I am sure that this whole process, from the nomination through the elections, will be a demonstration of our people's political strength, courage, and patriotism. It will be the best response to this absurd, insane plan, which represents the antithesis to the Revolution. We are in a special period now, but what they offer is an infernal period, and what is worse, an eternal one.

[Llorente] Comrade Alarcon, much has been said among our population about the Helms-Burton bill, which claims there is a lack of democracy in our country, and by which they seek to impose a representative democratic model. Is it not true that our electoral process is a true example of real democracy?

[Alarcon] Yes, of course. Since we are reasonable people who respect international laws, we cannot demand that the United States transform its system so people can nominate their candidates from the grassroots. We cannot demand that they prohibit the spending of tens of millions of dollars on electoral campaigns, in which only the rich can compete. We cannot do that. They can follow their own system, which becomes increasingly less credible and experiences decreasing support among the U.S. voters themselves.

But we are not going to let anyone take our electoral system from us to reinstate.. [pauses] The truth is that the Helms bill is even worse than that because there

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would not even be a political circus like the one that existed in the past. The Cuban Government would cease to exist. In the end, after that entire scenario of the prolonged blockade, the strangulation of the Cuban people, and the defeat of the Revolution, there would be a high Cuba-U.S. council chosen by the president of the United States and comprised of private U.S. enterprises. There is not even a mention of an alleged democratic Cuban Government. They are right in not doing so since there would be no government after all. The Republic of Cuba would not exist.

That is why I was saying that this electoral process, which needs to become more efficient and solid, is an exceptional opportunity. Not only can we demonstrate that our system is much more democratic, but we can say that ours becomes increasingly better and more democratic, with greater contact between the elected official and the voters. It is not only a demonstration in the face of external demagogy, but is a way to become stronger and make it more difficult for them to take this country away from us. This should be our goal on the larger political plane, which extends from the grassroots level of the people's government to the national level.

Now, since we are facing such an important chapter in the process of the nomination assemblies, I insist that we look at it as more than an occasional get-together with our neighbors to carry out formalities. It is an opportunity for us to take a solid step toward strengthening and improving that system, which is one way of preventing them from reinstating slavery in Cuba.

GRANMA on Danger Posed by Florida-Based Cuban 'Terrorists'

PA2705235795 Havana PRENSA LATINA in Spanish 1548 GMT 27 May 95

[FBIS Translated Text] Havana, 27 May (PL) — GRANMA, the Communist Party of Cuba's official publication, today warned about the close ties between Florida-based Cuban terrorist organizations and U.S. far-rightist groups, as well as the danger that these organizations pose for the United States. "The potential threat posed by the Cuban groups linked to the local terrorist apparatus should not be overlooked by federal and Florida authorities," the newspaper said.

In a lenghty article entitled "Terrorism Also Speaks Spanish," GRANMA recounted the terrorist activities of Cuban counterrevolutionaries in the United States a long time before a "Michigan Militia Corps" commando blew up a federal building in Oklahoma. "It would be dangerously naive to draw a line between the sectors that usually operate in an institutional framework and those that have been acting extra-institutionally, either in covert operations, sponsored by U.S. agencies, or by themselves."

The paper went on to say that these ties have become especially dangerous because the Cuban "connection" is gradually ceasing to be a gear in the official machinery and is becoming a "lethal free wheel" in Florida, where far-rightist paramilitary organizations are estimated to number no fewer than 77.

GRANMA says that several of these organizations have ties with both "legal" and "clandestine" Cuban organizations but that "each of them has set its sights on the Democratic government."

The paper said that the security risk is serious and recalled that long before the Florida paramilitary's manuals taught how to manufacture home-made explosive devices with ammonium nitrate and fuel oil, "Cuban terrorists had already mastered demolition techniques and were blowing up their political opponents high in the sky."

The newspaper finally said: "The neutralization and elimination of these groups would enhance U.S. national security. Federal installations such as FBI, ATF, the Department of Justice, or the Coast Guard could be included in the terrorists' targets."

Foreign Currency Required for Emigration Transactions

FL2605230195 Havana Radio Rebelde Network in Spanish 1700 GMT 26 May 95

[From the "National Radio News"]

[FBIS Translated Text] The national tax administration office of the Finance and Price Ministry today announced that beginning on June 1, stamps for emigration transactions will be paid for in foreign currency. Emigration stamps will be differentiated from those currently valued in national currency by their color and will be issued in the same denominations. Five convertible peso or dollar stamps will be green; ten convertible peso or dollar stamps will be red; and 20 convertible peso or dollar stamps will be light brown. The stamps will be sold at selected fine control and collection offices, or at other offices set up for that purpose in each province. This arrangement is based on the document tax provision of Tax Law 73.

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Finance Minister on Economic Recovery, Production

PA2805000295 Mexico City NOTIMEX in Spanish 2057 GMT 25 May 95

[Report by Francisco Ramirez Cardenas]

[FBIS Translated Text] Havana, 25 May (NOTIMEX) — Cuban Finance and Prices Minister Manuel Millares has indicated that the key to the island's economic recovery is the increase in production following the progress achieved in putting domestic finances on a sound basis.

He also considered essential the creation of a broader market so that private peasant groups that attend the agrarian markets — which have accumulated a large amount of money — may acquire the products they want.

During an interview with NOTIMEX, Millares reported that the measures to put domestic finances on a sound basis have played their role and they have gone from almost 12 billion pesos (equivalent to dollars according to the official exchange rate) in excess circulating money in May 1994 to 9.31 billion.

He indicated that 63 percent of this figure is found in savings accounts, and he emphasized that mechanisms must now be sought in the production sector, because the money has concentrated in certain sectors.

"We will adopt all the measures to increase production, first of food, so that the relation between products and the amount of money becomes consistent in the future and so that we may reduce product prices," he said.

The finance minister talked to NOTIMEX shortly after addressing the installation of the National Auditors' Organization on Wednesday, when a report was presented on the state system's reorganization within the economic adjustment plan.

Statistics revealed during the meeting indicated that, between April 1994 and last month, the state's central administration was reduced from 50 organizations to 27 ministries and five institutes, and the payroll was cut by 60 percent.

Millares recalled that, within the financial policy, the budget deficit of 5.5 billion pesos registered in 1993 dropped to 1.4 billion pesos in 1994, and the figure of 1 billion was planned for this year.

He said that other achievements in the reduction of liquidity include a revaluation of the Cuban peso and the reduction of black market prices, by four times in some cases.

In May 1994, the dollar, possession of which among the population was no longer penalized in August 1993, cost 120 pesos in the black market, and it dropped to 35 pesos in April.

Millares, who assumed the post on May 12 — he was vice minister for the last 10 years — emphasized the need to increase the sales of state enterprises in the agrarian market, because this represents a mechanism that regulates prices.

He said that state enterprises, affected by a shortage of fuel, fertilizers, and other raw materials, as well as climate problems, must increase their offer without affecting the basic food basket in the regulated (rationed) market.

He indica ted that the Basic Cooperative Production Units (UBPC), created in former state lands given in usufruct to agricultural workers, must also play an important role in production.

Millares believed that "the state enterprises' paternalism" over the UBPC's has obstructed their operation, and he believes that the latter require more freedom of action "within the established rules."

He stated: "The cooperatives' interest in producing must be supported without endangering the assets and services offered at set prices to the population or the social consumption in schools and hospitals."

Agriculture Minister: Tobacco Production Begins Recovery

PA2905162795 Havana PRENSA LATINA in Spanish 1928 GMT 27 May 95

[FBIS Translated Text] Havana, 27 May (PL) — Agriculture Minister Alfredo Jordan has affirmed that, with an estimated 600,000 quintals, the current tobacco harvest marks the beginning of the recovery of this Cuban sector.

During a visit to the western province of Pinar del Rio, recognized as the land that produces the best tobacco leaf in the world, Jordan said that at last the decline in the area's production has ended. The deceleration was a consequence of the economic problems facing the island.

Although the figure falls short of what was expected, it still represents a 60 percent increase over the previous harvest (1993-94). The official told the national news agency that there is also an improvement in product quality.

Nevertheless, he said, the country can only feel satisfied when we reach 1 million quintals. To reach this goal, however, we will have to sow 477 caballerias of land.

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The tense economic situation in Cuba, triggered by the crumbling of the socialist states — Havana's largest commercial partners — the increased U.S. trade embargo, also affected the tobacco industry, which has watched its production dwindle since 1990, when the special period began in Cuba.

TRABAJADORES Urges Workers To Adapt to New Times

PA2905172095 Havana PRENSA LATINA in Spanish 1336 GMT 29 May 95

[FBIS Translated Text] Havana, 29 May (PL) — The weekly TRABAJADORES today appeals to the labor movement to adapt to the new times — where socialist modes of ownership coexist with the presence of foreign capital.

In its customary Monday editorial, the publication notes that in the midst of other elements befitting a capitalist economy the need to add flexibility and modernize labor relations will prevail without renouncing control of or demands by the organisms in charge and hurting the basic gains of labor groups.

The weekly stresses that the staggered, gradual, and directed nature of the economic reforms in the island give the labor movement the possibility of improving its actions in centers where new business structures are being implemented.

TRABAJADORES urges workers to conduct systematic, serious, and demanding work in reaching and enforcing collective agreements in order to overcome successfully the dilemma of undergoing transformations now and in the future while preserving the gains of social justice under those conditions.

Earlier, the editorial states, agreements were a formality, because we had total concurrence between the social and economic interests of managers and workers, who were the absolute owners of the island's means of production, duties prevailed over rights, and there was an unlimited source of jobs in all sectors of production.

For the first time in three decades of revolution and because of the economic crisis that this Caribbean nation is facing, the authorities [words indistinct] half a million the number of workers who must be relocated.

The main publication of the country's unions recognizes that for years Cuban unionism grew under circumstances in which the possibilities of contradictions and disputes between management and the workers were almost nil.

The weekly stresses that the Cuban labor movement must get ready to overcome the current situation, to play the role that befits it in the institutional system, and to demand everywhere the just balance between the duties and rights of unions.

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Reportage on State Elections

Polls Open in Guanajuato State

PA2805153395 Mexico City NOTIMEX in Spanish 1454 GMT 28 May 95

[FBIS Translated Text] Guanajuato, 28 May (NOTIMEX) — The elections in central Guanajuato State to pick the successor for acting Governor Carlos Medina Plascencia got under way today at 0800 (1400 GMT) with the opening of 4,936 polling stations.

The Guanajuato Electoral Institute declared a nonstop session to monitor the development of the special elections and oversaw the installation of the polling stations.

This Sunday, 2,163,011 citizens will cast their ballots to elect Medina's successor from a field of five candidates in the most hotly contested special elections in Guanajuato.

The candidates are Ignacio Vasquez Torres of the Institutional Revolutionary Party, Vicente Fox Quesada of the National Action Party, Marta Lucia Micher Camarena of the Party of the Democratic Revolution, Salvador Avalo of the Labor Party, and Israel Gonzalez of the Party of the Cardenist Front for National Reconstruction.

No Major Incidents Reported

PA2805202095 Mexico City NOTIMEX in Spanish 1912 GMT 28 May 95

[By Marcelo Galan]

[FBIS Translated Excerpt] Leon, Guanajuato State, 28 May (NOTIMEX) — Following several anomalies during the opening of the polling stations, the state's 4,396 polling stations began operations, and during the first two hours of the voting, an average flow of voters was observed.

According to electoral and state authorities, some anomalies were observed that ranged from the late opening of the basic, adjacent [contiguas], and special voting polling stations to the hasty reading of vote counting sheets [actas de escrutinio] and other electoral material.

The voting in central Guanajuato State began with a message from the State Congress urging the authorities, political parties, and electorate to remain calm during the elections and to behave with maturity during the voting.

In a rural region north of Leon, the state's capital city, the Second Electoral District authorities reported no major incidents, although some polling stations opened late. [passage omitted]

PAN Reported To Lead Race

PA2905014595 Mexico City Radio ACIR Network in Spanish 0012 GMT 29 May 95

[Report by unidentified reporter from Guanajuato — live relay]

[FBIS Translated Excerpt] [Reporter] There is a lot of activity at the PAN's [National Action Party] state party headquarters, as well as here at the press room set up by the blue and white party at a hotel in this great city. The PAN is the country's fourth [as heard] leading party, and we have detected preparations for an early celebration because PAN members believe they have won the elections.

To give you a better idea of the situation, the PAN has issued a bulletin, claiming it likely pulled off a sweep [se les barrio], as we say in journalistic jargon. Some three hours ago, the party released a bulletin giving the percentage by which it was leading the elections.

[Unidentified station announcer] Can you give us the percentage?

[Reporter] The percentage reported in the bulletin bearing Vicente Fox Quesada's letterhead — in other words, the campaign headquarters letterhead — is that the PAN has garnered 50.8 percent of the vote, while the PRI [Institutional Revolutionary Party] has gotten 30.5 percent.

[Announcer] In other words, a 20 point difference.

[Reporter] I am sorry.

[Announcer] In others words, a difference of approximately 20 points.

[Reporter] That is correct. As I was saying, the PAN camp is trying to be discreet, but some are having trouble concealing their smiles and enthusiasm. It will not be long before we find out whether a last-minute surprise might shed some rain on the PAN's parade. Nevertheless, we have to wait a little longer before giving our listeners more concrete results from this interesting election.

[Announcer] I must remind you that exactly 18 minutes ago, just before 1800 and four minutes before the polls closed, I publicly disclosed information from well-placed PRI sources in Guanajuato, who from early this afternoon confirmed Vicente Fox Quesada's victory. They made their announcement as soon as the first general voting trends became apparent. They reported with sadness that Ignacio Vasquez Torres, who for 18 years has sought the governorship for the PRI, will have wait another six years for another chance. [passage omitted]

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PRI Denounces 'Repressive' Actions

PA2905031695 Mexico City NOTIMEX in Spanish 0150 GMT 29 May 95

[FBIS Translated Text] Guanajuato, 28 May (NOTIMEX) — Institutional Revolutionary Party (PRI) representatives today reported that judicial and traffic police in the central state of Guanajuato have carried out "repressive and intimidating" actions.

The ruling party's State Policy Committee [Comite Directivo Estatal] (CDE) issued a communique claiming that police officers riding in different types of vehicles, including white vehicles with turrets and no license plates, parked in front of a number of polling stations.

The communique added that a pickup truck with the registration number 1019 belonging to the judicial police remained in front of polling station 2139 for a long time, intimidating both voters and officials. Another judicial police vehicle with registration number 0966 did the same thing in front of polling station 2196, while agents from the Attorney General's Office who were riding in traffic patrol cars appeared at several polling stations, claiming they were conducting inspections to prevent electoral crimes from being committed.

The CDE also reported it made no moves against the vehicles which were conducting a propaganda campaign in favor of the conservative National Action Party (PAN) — vehicles the CDE claimed parked in front of polling stations "for a long time, conveying a prejudicial bias."

In addition, the CDE also said police vehicles with turrets were patrolling areas surrounding polling stations in Leon Municipality. Meanwhile, the communique said white vehicles with police lights appeared at polling stations where the PRI was expected to obtain a majority of votes.

Meanwhile, the CDE of the PRI said it received a report about the "arbitrary detention" of the president of polling station 2029, Jose Luis Escamilla Garcia, by self-proclaimed judicial police officers who never showed him an arrest warrant. According to the CDE, the detention, which occurred without a legal order, prompted the closure of this polling station in the community of Yostiro in Pueblo Nuevo.

In another communique, the PRI state leadership condemned the "irresponsible attitude" of the PAN, which released voting results in its favor several hours before the polling stations closed, adding that the objective of this PAN tactic was to mislead public opinion and to misinform Guanajuato citizens. According to the agreements signed with the State Electoral Institute's General Council, exit polls and data on voting trends was not to be released before 2000 (0200 GMT).

PRI Claims Victory in Guanajuato

PA2905035495 Mexico City NOTIMEX in Spanish 0326 GMT 29 May 95

[FBIS Translated Text] Guanajuato, 28 May (NOTIMEX) — The Institutional Revolutionary Party (PRI) has claimed a victory in the special elections held today in Guanajuato to elect a governor in the central state.

Jose Ortiz Arana, coordinator of the PRI National Executive Committee, said: We are "absolutely certain" PRI candidate Ignacio Vasquez Torres has won the election. He added, "The trends reported by PRI personnel in 50 percent of the 4,396 polling places installed in 46 municipalities throughout the state are favorable to the PRI candidate."

Ortiz Arana said the vote favors the PRI candidate with 53 percent, followed by the National Action Party (PAN) with 35 percent, the Party of the Democratic Revolution (PRD) with 8 percent, and the rest of the candidates with 4 percent. He added: These trends permit us to be absolutely certain of the PRI's victory in this election.

PAN, PRI Both Claiming Victory

PA2905040795 Mexico City Radio ACIR Network in Spanish 0309 GMT 29 May 95

[FBIS Translated Excerpt] Vicente Fox Quesada has proclaimed himself the winner in the gubernatorial race in Guanajuato. The state PRI [Institutional Revolutionary Party], meanwhile, is disputing this. A deluge of bulletins and statements is now flooding Guanajuato. The State Electoral Commission has already released the first figures favoring Fox, who represents the National Action Party (PAN), and [words indistinct] condemned Fox for jumping the gun and violating the agreements.

In Yucatan, people are talking about the victory of Victor Cervera Pacheco for the governorship of Yucatan State and about the PRI's defeat in Yucatan's capital of Merida. [passage omitted]

Reporter Guadalupe Trejos is at the PRI Headquarters in the city of Guanajuato. Go ahead, Guadalupe. Good evening.

[Trejos] Good evening. The news conference by Fernando Ortiz Arana and Armando Sandoval Pierre has just ended. They declared the PRI as the winner in the elections based on 50 percent of the votes cast in 46 municipalities. It was reported that 53 percent of the voters

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voted for the PRI, 35 percent for the PAN, 8 percent for the PRD [Party of the Democratic Revolution], and 4 percent for other parties.

Ortiz said his party has no doubts whatsoever that Guanajuato's electoral body will ratify these figures and that this is a victory for the PRI. He lamented the smug attitude adopted by Vicente Fox, whom he described as an upstart [neopanista]. Ortiz also said this is a struggle for power, adding that this struggle must be conducted with respect for the law and while exercising prudence and reflection to the fullest. He affirmed that the PRI is undoubtedly the winner in this election.

Ortiz also announced another news conference will be held at 2330 and promised Ignacio Vasquez Torres will be present to confirm his victory.

Figures Show PAN Ahead

PA2905042395 Mexico City NOTIMEX in Spanish 0335 GMT 29 May 95

[FBIS Translated Text] Guanajuato, 28 May (NOTIMEX) — The Electoral Institute of Guanajuato State (IEEG) has reported that initial preliminary results show the National Action Party (PAN) is leading in the special election held today to elect a governor.

The IEEG said ballots in 246 polling places, representing 5.6 percent of the 4,396 polling places in the central state, have been counted and the PAN received 4+,518 [figure as received] votes to the Institutional Revolutionary Party's (PRI) 18,627 votes. The IEEG also said the Party of the Democratic Revolution (PRD) received 6,014 votes, the Cardenista Front for National Reconstruction Party (PFCRN) received 361 votes, and the Labor Party (PT) received 790 votes.

The IEEG stressed that diametrically opposed figures are being reported in Leon Municipality following the deadline given by the IEEG to announce results of exit polls conducted by political parties and data processing companies.

According to one exit poll conducted by a group representing the newspapers AM in Leon, EL NORTE in Monterrey, and REFORMA in Mexico City, the PAN will garner 58.4 percent of the votes in 250 polling places. The PRI will reportedly receive 31.21 percent, and the PRD will get 6.48 percent, according to the exit poll conducted by this group, whose methods elicited no comment from electoral authorities.

The Second Electoral District headquartered in Leon reported that PAN candidate Vicente Fox Quesada won in 40 polling places installed in the district with a three-to-one margin over the PRI.

Moreover, the PAN's Municipal Directorate Committee, revealed the data processed from 160 polling places indicates the PAN obtained 34,484 votes versus 13,426 obtained by the PRI.

PAN Files Suit Against PRI Candidate

PA2905044095 Mexico City NOTIMEX in Spanish 0337 GMT 29 May 95

[FBIS Translated Text] Guanajuato, 28 May (NOTIMEX) — The conservative National Action Party (PAN) today filed a damage suit against Ignacio Vasquez Torres, gubernatorial candidate for the Institutional Revolutionary Party (PRI), for committing alleged electoral crimes.

PAN Senator for Guanajuato Alfredo Ling Altamirano said Gabriela Carrasco Nolasco, on behalf of his party, filed the suit with the Attorney General's Office in Celaya in the central state of Guanajuato. He explained that Carrasco, who was the PAN representative at the polling station where Vasquez cast his vote, accused the PRI candidate of urging voters who were standing in line to vote for him. The proper authorities will have to rule on this incident, considering that the election was already in its final stages and that there should have been no campaigning at this point, Ling pointed out.

Ling also said that, according to a report from Manuel Ramos, the PRI "bought votes" at rural polling stations in Silao Municipality, specifically in the communities of Tuna Mansa, Yerbabuena, and Rancho Seco. Ling added that Ramos has evidence on videotape.

Also, the PAN senator reported that in the city of Coroneo, Juventino Contreras Lima passed himself off as a local PRI deputy and attempted to pick up electoral materials without any authorization after the polling stations had closed at 1800. Ling asked that the legality of all of these incidents be investigated to determine criminal culpability.

Ling also said he is not worried about the debate surrounding the bulletin PAN issued disclosing the results of exit polls showing the PAN won 50 percent of the vote compared to 30 percent for the PRI. The PAN senator stressed that in the event any electoral crimes were committed, "whoever is responsible, regardless of who he is, must be punished."

Today, approximately 2,163,011 citizens cast their votes to elect the successor to acting Governor Carlos Medina Plascencia from among five candidates.

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PRI Reports Defeat in Guanajuato, Victory in Yucatan

PA2905132595 Mexico City NOTIMEX in Spanish 0853 GMT 29 May 95

[FBIS Translated Text] Mexico City, 29 May (NOTIMEX) — Maria de los Angeles Moreno, CEN [National Executive Committee] leader of the PRI [Institutional Revolutionary Party] conceded the defeat of PRI candidate Ignacio Vasquez Torres to PAN [National Action Party] candidate Vicente Fox Quesada in the gubernatorial race in Guanajuato and claimed victory for the PRI candidate for governor in Yucatan Victor Cervera Pacheco.

At the CEN's Presidents' Hall, Moreno said early this morning that the outcome of the elections in Guanajuato favors the PAN, "although we cannot affirm it until we know the final results issued by electoral authorities."

She said, however, "we stress our commitment to respect the will of the people expressed at the polls, but at the same time we will defend with the full force of the law and the political reasons within our reach the votes we have obtained."

Before knowing the preliminary results of the elections in the two states, Moreno said that the PRI "participated in civic elections with courage and respect, with confidence in its ideological platform, and offered the electorate the best government platform."

She commended the participation of PRI militants and sympathizers in the elections and had words of praise for the constant work of Ignacio Vasquez Torres and his maturity and courage.

In Guanajuato, she said, it has been confirmed that the PRI is a force with a significant following among the people, a following "that we plan to maintain and increase with stepped up efforts."

Regarding the elections in Yucatan, she said that based on the tally sheets already counted, "of which we have copies," and on the results of exit polls [conteos rapidos], as well as the Timely Preliminary Election Results Program [Programa de Resultados Electorales Preliminares Oportunos] "we can affirm that the trend giving us the victory in the Yucatan gubernatorial elections is irreversible."

She said that the voting in this state was a referendum on the confidence citizens have in PRI and its candidate and congratulated Victor Cervera Pacheco on his victory and urged him to work hard in favor of the people of Yucatan.

Moreno stressed that the elections were clean and were observed by various independent organizations as well as representatives from the local media, adding that they were held under advanced electoral laws approved by legislators from all parties.

Moreno respectfully issued a call to all Mexican political parties to recognize the legality and legitimacy of the elections and maintain a climate of concord and respect for the people's will expressed at the polls.

Moreno reiterated her party's steadfast determination to promote democracy based on the commitment of all political parties and organizations and to establish and respect clear rules that will guarantee the veracity, credibility, and validity of the votes.

Moreno voiced her satisfaction because elections in the Mexican States of Guanajuato and Yucatan were verified within a framework of freedom, confidence, and peace.

Institute Figures Show PAN Leads in Guanajuato

PA2905143795 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 29 May 95

[From the "Early Morning" newscast]

[FBIS Translated Text] The National Action Party [PAN] seems to be the winner in the special elections to pick the Guanajuato governor. The Guanajuato State Electoral Institute has reported that these are the results after tallying the ballots of 1,992 polling stations. which represent 45.4 percent of the total: PAN candidate Vicente Fox won 342,906 votes, or 59.8 percent of the total votes cast; PRI [Institutional Revolutionary Party] candidate Ignacio Vasquez Torres won 175,809 votes, or 30.7 percent of the ballots cast yesterday by Guanajuato voters. As for the PRD, Party of the Democratic Revolution, it won 7.5 percent of the votes. The Party of the Cardenist Front for National Reconstruction won 0.7 percent, and the Labor Party won 1.2 percent.

The state electoral institute's general council has adjourned and will resume its work at 0900 this morning. For the time being, the people of Guanajuato wanted bread [a play on words on PAN, which in Spanish means bread], and that is what they got.

The PAN states its virtual triumph in Guanajuato is a sign of the confidence the people have in its government platform and is not exactly the product of deals [concertasesiones].

[Begin PAN President Carlos Castillo] If in 1991 PAN had not fought to keep Ramon Aguirre from becoming governor through fraudulent means, we would not be seeing the things we are now. Otherwise, Mr. Aguirre would have been governing for a full period, and

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we would not have had special elections. The PAN's struggle to keep Aguirre from becoming governor through fraud and getting a PAN governor who pledged from the start to have a new electoral law and new electoral institutions are now yielding results in this electoral campaign that have been considerably better here than in the past.

Second, I would say there is no way anyone can accuse us in Guanajuato of having struck a deal. We would have to hold a demonstration against Fox' victory to protest such a thing. To be frank, we are not mad. I would not say that now is the time for the PAN to act as the second force. We were that before the elections, since 1991. In the federal elections, official figures showed we won the second largest number of votes in the country. This is nothing new. We will continue acting as the second political force in the country. We will continue acting to grow, working to raise the adherence of citizens to our party, working to make the party improve in quantitative and qualitative terms, so it may compete in a more efficient manner in 1997 and 2000. [end recording]

'Minor Incidents' Reported

PA2905143895 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 29 May 95

[Report by Monica Rodriguez; from the "Early Morning" newscast; passages within quotation marks are recorded]

[FBIS Translated Text] Gubernatorial elections in Guanajuato were absolutely peaceful, except for some minor incidents.

[Unidentified speaker] "There were minor delays in opening several polling tables because the screens that guarantee true secrecy were not all in place."

So began the election day on 28 May, which in general, turned out to be a rather normal process. There were focused incidents such as the illegal sale of alcoholic beverages and charges by the Institutional Revolutionary Party [PRI] of National Action Party [PAN] propaganda activity outside polling stations. The indelible ink mark on voter's thumbs was a sign of civil compliance. For PRI candidate Ignacio Vasquez, this was also a day of political uncertainty.

[Vasquez] "Fighting men never fail, they just go on fighting. I have not considered any options."

[Unidentified reporter] "That means that if you lose, still you have not failed?"

[Vasquez] "In a democracy you do not lose; you get adverse results."

[PAN Candidate Vicente Fox] "Now we are going to struggle to make sure the Constitution and the Federal Pact are respected. The pact assigns a specific task and responsibility to each of the levels of government. This includes federal, state, and municipal governments. What we want to do is to regain the right to make decisions, recover our budget, and restore the municipal and state government's ability to get things done."

Voters trickled in. There were never too many at one time, but, as one polling table president said, the flow was consistent.

[Unidentified table president] "We have had quite a few voters come by, in several small waves, so to speak."

Yucatan State Elections Open Amid Tranquility

PA2805160995 Mexico City NOTIMEX in Spanish 1459 GMT 28 May 95

[FBIS Translated Text] Merida, 28 May (NOTIMEX) — Elections in the southern Yucatan State, in which 748,335 citizens will elect a governor, 106 mayors, and 15 deputies by simple majority [de mayoria], started today at 0800 (1400 GMT) amid an atmosphere of tranquillity.

The elections were launched with the opening of 1,527 polling stations throughout the state. They will be under the responsibility of 9,162 station officials, including presidents, secretaries, vote-counters, and alternates.

Elena Castillo Castillo, president of the State Electoral Council (CEE), said on 27 May that the top electoral authority expects tranquil elections with honest and clear results.

'Irregularities' Reported in Yucatan Elections

PA2905002795 Mexico City NOTIMEX in Spanish 2221 GMT 28 May 95

[FBIS Translated Text] Merida, 28 May (NOTIMEX) — Today's elections in Mexico's southeastern Yucatan State are progressing normally despite some irregularities.

State Attorney General Fernando Sauri Sanchez today said eight people, presumably members of the opposition Party of the Democratic Revolution (PRD), stole ballot boxes from two or three polling stations in Chichimila, 170 km east of Merida. Sauri reported the group in question stole ballot boxes and indelible ink from polling stations which they entered after threatening voters. The stations were subsequently closed.

Meanwhile, Miguel Angel Poot, Valladolid municipal leader of the opposition National Action Party (PAN) — the second largest electoral force in the nation —

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said members of the ruling Institutional Revolutionary Party (PRI) bused in people to vote at the Tihisuco Police Station, which serves as polling station 1034. Poot said the voters who were "hauled in" also received refreshments while awaiting their turn to vote.

In its first report, the State Electoral Commission (CEE) said the problems encountered at some polling stations could in no way be attributed to bad intentions. The CEE report drafted by Technical Secretary Gabriel Zapata Bello reported that, overall, there had been a massive turnout at the polls in the early hours of the day and that tranquillity has prevailed since the start of the election. The report made mention of certain situations in which indelible ink or installation records were not available, other problems linked to the relocation of polling stations, as well as "other incidents that cannot be attributed to bad intentions."

Elsewhere, citizen adviser Ignacio Puerto Gutierrez read a report — specifically, a notarized document which described incidents but did not make any conclusions — issued by a special commission probing the appearance of 14 faulty votes in Tizimin Municipality. After a review of documents pertaining to the delivery and receipt of electoral materials, and following meeting with the officials in charge of the packages, this report said electoral materials "showed no signs of tampering."

In response, PRI representative Rafael Acosta Solis requested a "far-reaching investigation" to determine how and why 14 votes got into the hands of PAN leaders in Tizimin Municipality. He accused PAN members of misusing and absconding with electoral documents, "which constitutes a provocation that could lead to a broader dispute."

The mayoral candidates in Merida, the capital of Yucatan — namely, Ricardo Dajer Nahum of the PRI and Patricio Patron Laviada of the PAN — asked citizens to vote conscientiously and to allow the elections to take place in tranquillity and peace. Dajer said he is willing to respect the decision of Merida's residents, even if it does not favor his candidacy, but "I will also see to it that my victory is respected."

Meanwhile, PRI gubernatorial candidate Victor Cervera Pacheco said today's elections in Yucatan will be decided at the ballot box. While being interviewed after voting, Cervera Pacheco said President Ernesto Zedillo has been very respectful of local decisions, and therefore, "there is no reason to expect any confrontations with the federal government."

'Peaceful Day,' Reported at Yucatan Elections

PA2905144895 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 29 May 95

[Report by Luis Padua; from the "Early Morning" newscast]

[FBIS Translated Text] A peaceful day, good organization, and a good turnout were the characteristics — at least apparently — of elections in Yucatan State.

People went to vote very early not only in the city of Merida, but all 106 municipalities, in most cases to avoid the heat. In a few hours, all voting stations had a large number of voters.

There were very few signs of violence, at least up to the time the polls were closed. It is only necessary to repeat the elections in the community of Chichimila due to a clash.

Meanwhile, the National Action Party filed a protest over 14 ballots found outside a package yesterday in the muncipality of Tichimin. The Electoral Council is conducting an investigation to determine who took the ballots out and for what purpose.

There were some minor incidents, such as the absence of presidents at voting tables, or an Indian community where voters refused to have their fingers stained with ink, fearing it would never wear off.

Meanwhile, the candidates and the governor of the state showed up to vote very early, and expressed their confidence that elections would be held normally.

[Begin recording] [Unidentified person] What am I going to do today? I will stay in a hotel room watching a soccer game or playing dominoes.

[Second unidentified person] We expect elections to be held peacefully, as you can see. Fortunately, our people are very civic-minded.

[Yucatan Governor Federico Granja] I have been informed that elections in the state are being held in an orderly way; a large percentage of voting tables are already installed in Merida. We are trying to find out if there are any problems in order to support the Electoral Council. Thus far, however, the Electoral Council president has just told me that everything is going well. [end recording]

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Yucatan Results Favor PRI

PA2905145795 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 29 May 95

[From the "Early Morning" newscast]

[FBIS Translated Text] We will go now to Yucatan, where results favor the Institutional Revolutionary Party [PRI]. Yucatan's Electoral Council points out that after counting 327,427 votes, which represent 43.76 percent of the total votes, the results are as follows: Victor Cervera Pacheco of the PRI obtained 162,629 votes, which represent 49.67 percent of total votes; Luis Correa Mena of the PAN [National Action Party] has obtained, thus far, 143,445 votes, which represent 43.81 percent of the preliminary results; and the Party of the Democratic Revolution obtained 9,734 votes, which represent 2.97 percent. The Party of the Cardenist Front for National Reconstruction obtained 1,421 votes, which represent approximately 0.43 percent; the Labor Party obtained 722 votes, which represent 0.43 percent; and the Green Ecologist Party obtained 1,098 votes, which represent 0.34 percent.

Regarding the results for the local congress, the Electoral Council disclosed that the PRI won in eight electoral districts, while the PAN won in the remaining seven districts that constitute that state.

The PAN leader believes that the results disclosed thus far in Yucatan do not show the PRI's victory clearly.

[Begin PAN leader Carlos Castillo recording] PAN has challenged all of the tally sheets corresponding to the elections in Izamal Municipality. Perhaps, our audience and fellow journalists are unaware that the campaign in Izamal was particularly violent, to the point that Jose Miguel Rodriguez, Izamal's PRI mayor, beat up our party's candidate for the mayor position there. For the time being, we cannot recognize anyone as the winner, considering the very narrow difference in the number of votes and the said irregularities. In addition, since the companies that prepared exit polls or rapid vote counts have divided views or their results are too close, at best, PAN will only base its acceptance on the results of the tally sheets and the decision adopted by the electoral authority. [end recording]

PRI Proclaims Victory

PA2905220695 Mexico City NOTIMEX in Spanish 1907 GMT 29 May 95

[FBIS Translated Excerpt] Merida, 29 May (NOTIMEX) — The Institutional Revolutionary Party (PRI) in Yucatan State today proclaimed the victory of Victor Cervera Pacheco, its gubernatorial candidate in yesterday's elections.

Milton Rubio Madera of the PRI State Policy Committee [Comite Directivo Estatal] said that, according to preliminary results from 89.70 percent of the polling stations, Cervera Pacheco leads all other candidates. He said the PRI candidate has a lead of 27,000 votes over Luis Correa Mena of the National Action Party (PAN), his closest opponent. At a news conference in this city, the PRI state leader also acknowledged that Ricardo Dajer Nahum, PRI candidate for mayor of Merida, lost the race.

Rubio Madera said that, according to the count of 520 of the 629 polling stations in Merida and 851 of the 898 polling stations in the interior of the state, the PAN obtained 196,629 votes, while the PRI obtained 221,099 votes, equivalent to 43.89 percent and 49.32 percent, respectively. The PRI leader expressed confidence that the margin of victory will increase when the remaining 156 polling stations are counted. He stressed that yesterday's electoral process was exemplary, adding, "we thank the PRI members who enabled us to win the governorship." [passage omitted]

The State Electoral Commission issued a report this morning indicating that on the basis of the count of 89.06 percent of the polling stations, the PRI candidate obtained 49.35 percent of the vote, while Luis Correa Mena of the PAN obtained 43.88 percent. The PRI candidate had received 219,271 votes, while the PAN candidate had received 194,976 votes.

Meanwhile, the Civic Alliance organization confirmed the PRI was winning the gubernatorial race with 48.87 percent of the vote, in accordance with a report issued at midnight (0600 GMT on Monday).

Guillermo Vela Roman, coordinator general of the organization, said the PAN was second with 45.34 percent and the PRD [Party of the Democratic Revolution] was third with 2.8 percent of the vote. He explained that these results were based on a sample of 176 polling stations that represent 80 percent of the 226 polling stations the organization planned to sample. He said the total sample represents approximately 40,000 people, with an average of 209 voters per polling station in the sample.

The Merida Business Center of the Employers Confederation of the Mexican Republic (Coparmex) also reported that the PRI obtained 49.1 percent of the vote for governor against the PAN's 44.9 percent.

According to exit polls conducted by the center, 2.8 percent voted for the PRD, 0.5 percent for the Party of the Cardenist Front for National Reconstruction, 0.3 percent for the Labor Party, and 2.2 percent for the Mexican Democratic Party. At a news conference,

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Alejandro Gomory Rivas indicated the exit poll was conducted in 232 polling stations. [passage omitted]

Zedillo Congratulates 'Virtual Winners'

PA3005021995 Mexico City Radio ACIR Network in Spanish 0000 GMT 30 May 95

[Report by Rosy Ahuactzin Vasquez from the "Evening News Panorama" newscast]

[FBIS Translated Text] The president today congratulated the virtual winners of the Yucatan and Guanajuato gubernatorial elections, as well as those who did not win, because all of them, he said, had contributed to the strengthening of democracy. Along these line, President Ernesto Zedillo said we cannot delay Mexico's democratic advancement, and he added that solutions to many of our economic and social problems remain contingent on our political development. The president of the republic called on the political parties to persevere in the dialogue process.

Zedillo received a commission of deputies and senators from the Congress today, Monday. The commission reported to him that their third period of special sessions had concluded. At his meeting, the president praised the order, respect, and citizen participation in the Yucatan and Guanajuato elections.

[Begin Zedillo recording] I offer my broadest and most impartial cooperation to the two new state leaders who are emerging from yesterday's elections. It is both my duty and my pleasure to govern for all Mexicans and to cooperate with all of the state and municipal governments, regardless of their political leanings. I very sincerely congratulate Messrs. Vicente Fox and Victor Cervera, who, according to preliminary results, and subject, of course, to confirmation from the relevant authorities, are the ones who, as of now, appear to be the future governors of Guanajuato and Yucatan. [end recording]

During a private meeting with the deputies and senators, President Zedillo insisted that now is the time to advance democracy because we must build, as quickly as possible, a normal democratic environment, which will serve as the strongest foundation for social peace and, of course, our country's progress. Legislators who attended this meeting were, among others, chamber leaders Humerto Roque Villanueva and Fernando Ortiz Arana. Zedillo thanked them for their cooperation and their commitment to strengthen the state of law and also to create the legal order that will give Mexicans' confidence and security.

The president recognized that they had not achieved the necessary consensus to approve the Federal District's legal statutes. Nevertheless, he urged them not to be discouraged in their efforts to find new agreements. The president reiterated his commitment to democratize Mexico City and to enrich the political lives of the citizens of the capital, because, he said, we should all have the right to directly elect, through universal suffrage, the head of the government of the capital city. This is what happened at Los Pinos Residence today, and these were President Zedillo's only activities today.

Ambassador to Cuba on Detente With U.S., Ratifications

PA2605144395 Mexico City LA JORNADA in Spanish 24 May 95 p 15

[Article by Jesus Aranda]

[FBIS Translated Text] Claude Heller, Mexican ambassador-designate to Havana, has said that the Mexican government "will continue to make contributions" to ensure that Cuba is fully integrated to the Latin American system and will also help promote detente between this nation and the United States "with the conviction that Mexico cannot accept conditions on its foreign policy."

He added that Mexican exports to Cuba totaled $90 million and imports surpassed $8 million in 1994.

According to a Senate communique, the diplomat noted that 200 Mexican companies have businesses on the island and that Mexican tourists rank fourth in Cuba.

During an appearance yesterday before an impromptu meeting of the Standing Commission of the Congress of the Union, which is tasked with drafting recommendations on the ratification of diplomats, Claude Heller reaffirmed the feelings of cordiality and friendship that unite Mexico and Cuba.

He added that based on the principle of nonintervention, the Mexican government will promote the full integration of Cuba to the Latin American system and detente between the governments of Havana and Washington.

A senator, who attended the meeting with Ambassadors-designate Claude Heller, Cecilio Garza, Salvador Campos, who were appointed to Cuba, Korea, and Greece, respectively, and of Ignacio Villasenor, who was appointed Mexican consul to France, commented that "he had been called" at the last minute to ensure a higher turnout of legislators.

The media learned about the meeting through a communique that did not include the full statements of the ambassadors. It noted that the new ambassador to Korea underscored the need to increase Mexican exports to the

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Asian nation "because that nation has shown interest in Mexican products."

The ambassador-designate to Greece "talked about Mexican plans, through that representation, to reach the great trade potential offered by markets of countries that surround the Hellenic Republic, especially those of the Middle East."

Meanwhile, the Mexican consul to France denied that the rise to power of Jacques Chirac will have "negative effects" on bilateral trade relations, because "they are above any partisan considerations."

Increase in Reserves Attributed to Infusion of U.S. Funds

PA2605200495 Mexico City LA JORNADA in Spanish 25 May 95 p 50

[Report by Roberto Gonzalez Amador]

[FBIS Translated Text] Over the past week, the country's international reserves registered an increase of $2.196 billion, reaching $10.592 billion [figure as published] as of 19 May. This increase resulted primarily from a $2 billion infusion of funds from the U.S. Treasury as part of the U.S. aid package to the Mexican Government.

The Bank of Mexico (Banxico) yesterday reported that the current level of international reserves exceeded by $4.344 billion the $6.148 billion in reserves reported in late 1994. This amount includes approximately $7.2 billion from the IMF, as well as Banxico's purchase of $2.2 billion from the U.S. financial aid package to the federal government.

The fact that commercial banks conducted amortizations worth $151 million, which corresponded to credits previously granted through the Savings Protection Banking Fund, contributed to the growth of international reserves.

Banxico noted that the increase in international reserves during the past week was larger than the amount of U.S. Treasury financing, despite the fact that payments were made to amortize tesobonos [treasury bonds] in the amount of $229 million.

Between 12 and 19 May, the central bank's net internal credit decreased by 13.6 million new pesos. This sharp drop was partially caused by a prolonged depressed trend in the monetary base, which during the aforementioned week contracted by 832 million new pesos. It also was caused by an increase of $2.196 billion (equivalent to 12.786 billion new pesos) in international reserves.

The reference banking rates experienced an average 6 point drop during the period, which was 4 points below the government prime rate the previous day. In turn, the Average Interbank Interest Rate (TIIP) reached 51.6927 percent, which is 6.70 percent lower than last week. For its part, the Interbank Equilibrium Interest Rate (TIIE) was 51.59 percent, which implies a 6.75 percent reduction.

According to Banamex [National Bank of Mexico] analysts, the drop in interest rates and increased financial stability were prompted by the integration and disbursement of the international aid package, by improved data on monetary handling, by improved information on monetary transactions, and by "growing evidence that the adjustment program is working." According to the analysts, the financial market is supporting lower interest rates and longer terms for government bonds in the face of the favorable evolution of the stabilization controls, which in turn is helping to curb inflation.

Meanwhile, the Mexican Securities Exchange yesterday experienced a 2.48 percent drop in the Price and Quotations Index, which reached 2,044.83 points — down 52.07 from than the day before. Trading involved the exchange of some 94.2 million shares worth a total of 1.0935 billion new pesos. Of the 93 stocks handled on the ground floor of exchange, 18 registered increases, 56 experienced declines, and 19 closed unchanged.

Banxico reported the dollar quotation yesterday reached 6.03 new pesos, which is similar to the level registered over the past four working days.

Possibilities for Economic Unrest Cited

95CA0239A Mexico City REFORMA in Spanish 8 May 95 p 9A

[Commentary by Raymundo Riva Palacio, journalist and former director of the government news agency NOTIMEX: "Here Comes the Wolf"]

[FBIS Translated Text] Cambridge, MA—There is a growing impression abroad that this summer will be hotter than usual in Mexico, and that the possibility of social unrest is right around the corner. The same thing was said in 1982 and 1986, yet nothing happened. There were not even the days and nights of carousing in the streets that occurred in Santo Domingo, Sao Paulo, or Caracas to let off steam, if only superficially.

They say that things are indeed serious now, and that the signals are coming from Mexico itself. On that score they are right, because more and more Mexicans in strategic positions are remarking upon the situation, as in this recent dialogue with an investment consultant:

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[Question] Will there be *cacerolismo* [banging on pots and pans in protest] in Mexico?

[Answer] I do not know, but everyone is buying pots and pans.

[Question] Is there something wrong with the economic package?

[Answer] The prescription is the right one, but who knows if the patient can take it?

That view is pervasive within the Zedillo administration as well, and no one is even taking the people's pulse anymore; rather, they prefer to focus on damage control. This was evidenced by the cancellation of the traditional May Day parade, with the heavy international media coverage of the impact of the cancellation and the demonstration staged by independent trade unions.

The Zedillo administration has tried to avoid any explicit repudiation by the people, but it has had little success, to be sure. The anti-government tide is rising, and on some of his outings the president has even been booed. On a recent visit to Guadalajara, where the fear of rejection prompted an excessive security deployment, one person "crashed" the president's hotel, and as the president was going up the escalator, he heard a shout that caused his entourage to freeze: "Resign, Zedillo, if you have any shame!"

Still and all, summer has not arrived. Members of the Zedillo cabinet believe that the severance pay of the half-million workers laid off this year will run out soon, and there will not be much in the way of savings to get through to the fall, when they think the worst part of the crisis will be over. The paltry pay raises are completely out of touch with daily reality, and the informal economy seems to be insufficient to offset the new increases in the prices of basic goods, which will not come down for the rest of the year.

The social fabric is surely being stretched too far, and some government officials want to pull it even further, despite the yellow lights that are beginning to flash along the road. One indication of the degree of uncertainty and fear among Mexican workers can be seen in an informal and confidential report from the Secretariat of Labor on the contract negotiations that took place during the first 40 days of the Zedillo administration. The report was the result of an effort to measure the effects of a unilateral decision by the administration to turn a blind eye and allow wage increases to exceed the official ceiling of seven percent. The officials were expecting an average wage hike of about nine percent, but they were appalled to learn that the average was 6.8 percent. In other words, the workers would rather sacrifice wages in order to keep their jobs.

Even so, half a million jobs have been lost since the crisis in December, and 250,000 more will disappear this year, according to official estimates—that is, if the Zedillo economic program works and the figures are kept from going even higher. Nevertheless, more and more people inside and outside the government believe that the emergency economic plan will not work. And there are growing concerns that investors will not have a lot of confidence in the Zedillo administration. The president has not enjoyed their confidence since he took office on 1 December, and there is no objective reason for it to begin now.

In the United States, for example, the dust is beginning to settle, and the Mexican crisis can now be blamed more precisely on specific protagonists. Robert J. Barro, professor of economics at Harvard University, wrote recently in THE WALL STREET JOURNAL that in spite of the errors of Carlos Salinas de Gortari's administration, including the expansion of credit to private banks in 1993 and 1994 and the conversion of the government's debt into short-term obligations to avoid high interest rates, it had established a solid reputation on the markets. The Zedillo administration squandered that reputation, the main reason being that it did not keep Pedro Aspe in the cabinet for very long, even though he himself wanted to stay. "In the final analysis," wrote Barro, "Mexico's recent problems were not an inevitable legacy from the previous government, but were caused by the second team, which arrived too soon."

President Zedillo's administration will have to swim against the current; although a parade of high-ranking officials have appeared before various forums in this country to persuade everyone to give them the benefit of the doubt, as the Clinton administration did, they have not been successful. The problems will not be solved by technical means—everyone agrees that the program, though insufficient, is correct—but must be addressed through political channels.

But herein lies another great problem: The Zedillo administration does not have the political wherewithal to overcome the ignominy of the situation. It could have done so during the negotiations with the United States on the financial package, given the tremendous risk that the U.S. financial and banking system faced, but the Mexican officials proved how limited their political vision was and how pusillanimous they were. As the economists at Harvard are saying, they gave away more than they had to.

For all practical purposes, this summer there is not much point in looking back. We must prepare ourselves to face what lies ahead, and we must expect the worst,

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with as mature an attitude as possible. It is true that one of the alternatives—and given past behavior, the most likely one—is that nothing will happen; but we must not forget that people are buying pots and pans. The devaluation, which is an act that always has a greater psychological than technical impact, nonetheless contributed to the evaporation of expectations in Mexico, and rising expectations was how President Salinas de Gortari had led the country. Savings are running out, the trade unions are at the end of their rope, the political parties are no longer viable intermediaries, the PRI [Institutional Revolutionary Party] puppets in the legislature have buried any hope of an independent Congress, and above all, there is anger, a great deal of anger.

At various times in our past, social transformation movements have begun when the prognosis for Mexico was less serious. It is a mistake to downplay the most ominous scenarios because of the mere fact that there are no leaders in the opposition, since it shows a lack of historical objectivity. The discontent does not have to be very articulate to take concrete form. Nor is it necessary for the person who will eventually direct and channel this unrest to have emerged already. On the contrary, bridges must be rebuilt, weak ones strengthened and new ones erected, to prevent the crisis from taking on violent manifestations. We must at all costs prevent a [Camille] Desmoulins from appearing outside Bellas Artes and sparking a Bastille that will begin a long Mexican night, one that has been fended off for many years.

Roundup of Mexican Economic Developments

PA2905150795

[FBIS Editorial Report] The following is a compilation of reports on economic developments in Mexico monitored through 29 May.

Mexican crude oil prices increased an average of 9.1 percent in April as compared to March. The average price per barrel in March was $17.40 and the average price in April was $18.86, a $1.46 increase. Analysts believe the increase was due to the U.S. trade embargo imposed on Iran. (Mexico City EL FINANCIERO in Spanish 22 May 95 p 46)

The Finance and Public Credit Secretariat said the Federal Government gave the health and education sectors more than 4 billion new pesos during the first quarter of the year. This amount represents 23 percent of the government's programmed expenditures. (Mexico City LA JORNADA in Spanish 22 May 95 p 18)

According to a 23 May, Mexico City-datelined report, the Mexican Commerce Secretariat reported today that, during the first two months of 1995, trade relations with Guatemala left Mexico a favorable surplus of $31,961.70. Mexico's total exports to Guatemala during that period were $38,283.10. (figures as received) (Mexico City NOTIMEX in Spanish 2014 GMT 23 May 95)

A study conducted by EL FINANCIERO based on figures from the Finance Secretariat and the Bank of Mexico revealed that the public sector made foreign debt interest payments of 77 cents for every dollar obtained from exports during the first quarter of the year. The public sector's total exports amounted to $2.0792 billion during the first quarter. (Mexico City EL FINANCIERO (ANALISIS Supplement) in Spanish 23 May 95 p 3A)

The Mexican ambassador to the UK said agreements to protect foreign investments will be ready before the end of the year. The UK Commerce Department reported that bilateral trade with Mexico resulted in a $27.053 million deficit for Mexico. Mexico sold products for $38 million to the UK during the first quarter of the year. (Mexico City EL FINANCIERO (ANALISIS Supplement) in Spanish 24 May 95 p 26) PA2905150995

To date, 158 mostly medium and small companies have taken advantage of the Payment Suspension Law (Ley de Suspension de Pagos), a figure that represents a threefold increase over the same period a year ago. Textiles, food, transportation, construction, and chemical companies requested this protection. According to attorney Jaime Guerra, the number of these cases has gone from an average of 10 a month last year to an average of 25 to 30 cases this year. (Mexico City REFORMA in Spanish 24 May 95 p 17A)

According to a Mexico City, 25 May datelined item, the Bank of Mexico [Banxico] today reported that Mexico's international reserves totaled $10.492 billion on 19 May, an increase of $2.196 billion from 12 May. The bank stated in a communique that the increase is mainly the result of a government purchase of $2 billion with resources that came from the financing granted by the United States. Commercial banks have also amortized $151 million for loans granted by the Savings Protection Banking Fund. (Mexico City NOTIMEX in Spanish 0013 GMT 25 May 95)

Banxico reported yesterday that the inflationary spiral of the first four months began to level off during the first half of May. During this period, the National Consumer Price Index rose 2.18 percent or basically one-half the increase registered in the latter half of April. Banxico reported that the price index for staple products rose 1.59 percent in the first half of May compared to the previous 15-day period. (Mexico City LA JORNADA in Spanish 25 May 95 p 50)

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The National Foreign Trade Bank of Mexico (Bancomext) has reported granting loans for $3 billion during the first five months of 1995, 78 percent of which went to small and medium companies. Although the requests for loans have grown in the past few months, Bancomext has only been able to meet 50 percent of the demand. Bancomext explained that from January to May debts for $6 billion were paid off. (Mexico City EL FINANCIERO in Spanish 26 May 95 p 19)

The Mexican Social Security Institute and the National Confederation of Rural Property Owners (CNPR) signed an agreement yesterday whereby 2.5 million CNPR members will join the social security system. Based on the terms of the agreement, the federal government will pay 50 percent of the members' contribution. (Mexico City LA JORNADA in Spanish 26 May 95 p 13)

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Costa Rica

Figueres Recovers Satisfactorily; No Fractures Reported

PA2605200595 San Jose Radio Reloj in Spanish 1730 GMT 26 May 95

[From the "Radio Reloj Newscast"]

[FBIS Translated Excerpt] Costa Rican President Jose Maria Figueres Olsen is still in pain so he has been receiving sedatives. He complains of pain in a leg and the lumbar region. We will hear an exclusive statement by Doctor Alvaro Salas Chavez, executive president of the Costa Rican Social Security Board, who visited the president early this morning, at 0500, in his room on the seventh floor of Mexico Hospital. He will give details of how President Figueres has fared in recent hours following the injuries — all very painful —he sustained in an airplane accident which occurred yesterday [25 May] in the Atlantic zone.

[Begin Salas recording] Thank you. In fact, the president spent a relatively good night because he remained sedated, sleeping. The idea was to lessen the pain in his leg, which has been bothering him since yesterday afternoon. It was important that the president rest well during the night so we could reassess the situation this morning. We saw him early this morning and the evaluation is very positive. We decided to start the removal of a series of treatment elements, as well as control and monitoring elements, which prevent him from moving around. Consequently, we eliminated catheters, oxygen, etc. We eliminated all these things and he was then able to start moving his leg. He can move his right leg very well. Movement with the left one is still somewhat difficult, but I think everything is progressing very well. Dr. Saborio, a neurosurgeon who has been evaluating him, considers the situation will be much more clear after the X-rays. He believes it involves a peripheral situation rather than the spine. He sustained an injury there and this has caused the leg problem. [passage omitted]

The situation will depend on the results obtained today from the tests, mainly the X-rays of the pelvis, spine, lumbar area, and the legs. The idea is to make sure everything is progressing all right. I believe he should remain there this week-end, or at least until tomorrow. Tomorrow the situation should be reviewed. The idea is to make sure everything is all right within 24 to 48 hours. He can recover in the hospital or at home, once the situation is fully defined. [end recording]

Government Minister Maureen Clark held a news conference and provided an update on President Figueres' situation.

[Begin Clark recording] According to a report from the medical team, the president of the Republic spent a quiet night. New tests were conducted at 0700 for control purposes. X-rays of the spine, pelvis, hip, and left leg were made. All of the X-rays show that there are no fractures. [passage omitted] [end recording]

Leaves Hospital To Recuperate at Home

PA3005014095 Panama City ACAN in Spanish 1901 GMT 29 May 95

[FBIS Translated Excerpt] San Jose, 29 May (ACAN-EFE) — Costa Rican President Jose Maria Figueres has suspended all activities outside his residence for one week on doctors orders after leaving the hospital today. He had been hospitalized since Thursday [25 May], when he suffered serious bruises in an airplane accident.

An official spokesman said the president will attend to the most urgent affairs with his closest aides from his residence in northeastern San Jose and will use the telephone to deal with less important matters.

The president's stay at his home follows recommendations from the doctors who treated him at San Jose's Mexico Hospital, where he was admitted following an airplane accident that occurred while he was visiting Costa Rica's Caribbean coast. The source also said First Vice President Rodrigo Oreamuno will preside over the regular weekly meeting of the Government Council on Wednesday. [passage omitted]

El Salvador

President Urges Nation To Ignore Clandestine Threats

PA2705192195 San Salvador LA PRENSA GRAFICA in Spanish 26 May 95 p 5A

[FBIS Translated Text] President Armando Calderon Sol has urged the nation not to pay "attention" to anonymous communiques from the clandestine groups that have suddenly emerged, because, in his opinion, these communiques are the work of "madmen and antiquated people."

This was the chief of state's reaction to reports on the emergence of a new group that distributed leaflets in the Legislative Assembly yesterday. The leaflets contained death threats against officials, deputies, and political leaders.

The first "criminal extermination" group to emerge called its itself "The Black Shadow," and several "executions" of alleged criminals have been attributed to this group. Later emerged "The New White Hand," followed by the "Provisional Anticriminal Executive

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Command" which this week threatened the Legislative Assembly's Board of Directors.

When asked about the new self-proclaimed "Stop 187" [Frenadla 187," President Calderon Sol said: "Let us not acknowledge as a threat one simple anonymous message. Any lunatic can write an anonymous note and send it to the assembly, and the next thing you know, everyone is saying there is a new group."

Calderon Sol called on "the sensible media" not to give coverage to this type of threat, because when the mass media throughout the country publish (anonymous notes), other lunatics are encouraged to write notes too."

Human Rights Ombudsman Victoria Marina de Aviles condemned the emergence of the clandestine groups, adding that their existence means "something is wrong."

The ombudsman said: "This is a sign that things in this country are bad. We, as Salvadorans, must try to prevent impunity in order that some groups stop trying to assume the responsibilities of the state by taking the law into their own hands."

Prosecutor General Romeo Melara Granillo commented on the emergence of the clandestine groups by saying, "One must neither believe nor fail to believe." He added, "What the National Civilian Police have to do is initiate an investigation and find out who is promoting terror in the various institutions."

Meanwhile, Justice Minister Ruben Antonio Mejia Pena condemned the threats. He said: "The system of administering justice is functioning. The atmosphere and the reappearance of attitudes that should have been left in the past are only one source of concern and represent only part of the obstacles hindering" the consolidation of the de jure state.

Mejia Pena's opinions were made known to Supreme Court of Justice President Jose Domingo Mendez, who also condemned the emergence of clandestine groups.

Calderon Sol Announces National Pact Proposal

PA2905135895 San Salvador Radio and Television Networks in Spanish 0232 GMT 29 May 95

[Address by Salvadoran President Armando Calderon Sol to the nation in San Salvador — live]

[FBIS Translated Text] Salvadoran people, tonight I want to announce to the nation something important for the institutional life of the Republic, for the country's future political, economic, and social stability. We all know we have had a conflict-ridden, heart-rending, and painful past; we now have the historic opportunity to take a leap toward development, modernity, the consolidation of democracy, and sustained economic growth that will turn our El Salvador into a country of opportunities for all.

We have always believed El Salvador must be built by all of us, together, and that is why we sponsored an ample and fruitful debate. We must not confuse the debate with weakness. Quite the contrary, the consensus achieved is our strength; it allows us to build a better future on a stronger basis.

Political differences must not lead us to render the state, politics, and country inoperative; much less can we reveal the system's inoperativeness. That is why it is necessary that participation and consultation guarantee us a strong peace in the future. We have always said Salvadorans must be capable of ruling and waging an opposition based on national interests, to eradicate opportunism, populist demagoguery, politicking, and personal interests.

I was satisfied to see political parties which have this vision have presented me with a proposal for a pact as a nation — to guarantee even more firm and durable stability. The pact includes a national agenda that entails consolidating democracy and social development; eradicating poverty; guaranteeing citizens' safety; fighting drug trafficking and organized crime; achieving the greatest social participation possible in the construction of a new economic model; fighting corruption; eliminating unequal competition; increasing tax brackets; and fighting fiscal evasion. We consider these points vital so that our homeland may embark on the road to progress.

The pact involves a series of political pledges for economic stability, macro-economic stability, economic modernization, investment in the environment, social development, reforms in the public sector, participation by civil society, and international promotion. The document outlines immediate actions in 12 areas, as follows: Strengthening the legal state; controlling government operations; managing public expenses and their financing; reforming the public sector and privatizations; strengthening competition; creating an agrarian policy; regulating nongovernment organizations; considering a labor policy; reviewing social security and pensions; protecting the environment; discussing tax commitments; and promoting the country internationally.

As you can see, it is a great national project that requires the contribution of solidarity from everyone to change our El Salvador to modernity and real political, economic, and social stability — which represent a new phase for our nation. The pact represents a historic landmark in the country's life, because it creates a platform of political, social, and economic stability that will advocate development in all its aspects — because

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the population will have a clear idea of the direction that the nation will take in the future.

With this pact we tell the world: We are a stable country, and we are going forward, toward the consolidation of peace, democracy, and human promotion through economic development. I invite all political groups to join this historic pledge that synthesizes the Salvadoran people's hopes.

Dear fellow citizens, the day we assumed the presidency of the Republic we said that, to achieve the great national consensus, there had to be a change of attitude, a change of mentality, and a change of perspective so our country could embark on the road to modernity, based on peace and democracy.

We believe this is the key moment in our history for us to work, together, for the new El Salvador. United, for the great goals of that pact, we will fully dedicate ourselves to the physical, moral, and spiritual reconstruction of our dear El Salvador.

Good evening and thank you.

Guatemala

Officer Convicted of Devine Murder Nabbed in Venezuela

PA2705151795 Panama City ACAN in Spanish 1350 GMT 27 May 95

[FBIS Translated Text] Guatemala City, 27 May (ACAN-EFE) — It has been unofficially reported in this capital that Guatemalan Army Captain Hugo Contreras Alvarado, who has been sentenced to 20 years in prison for the 1990 murder of U.S. citizen Michael Devine and has remained a fugitive for the past two years, was captured this week in Venezuela.

Sources close to the Army, who asked to remain unidentified, told ACAN-EFE that Contreras, for whose capture the Guatemalan Government had posted a 100,000 quetzales (some $17,400) reward, was arrested in Venezuelan territory this week. The sources said Contreras was apprehended by Interpol in Venezuela, where he had been known to be living since he escaped from the Army's main base where he was being held. Contreras fled in May 1993, a few hours after learning that a court had convicted and sentenced him to 20 years in prison.

Military authorities have not confirmed the capture of the captain, a former Guatemalan Intelligence Service agent nicknamed "Maldito." Colonel Morris de Leon, head of the Army's Information and Press Department, last night denied he had any information on the arrest.

Contreras' arrest coincides with a private visit to Guatemala by Arlen Specter, Republican senator for Pennsylvania and chairman of the Senate Intelligence Committee. Specter met last night with President Ramiro De Leon Carpio at the Presidency, where they discussed the progress of the Guatemalan peace process and Devine's murder, which was perpetrated by a dozen soldiers in a far-flung jungle region of Peten Department in northern Guatemala.

Six soldiers were sentenced to a total of 30 years in connection with Devine's murder. In addition, Col. Julio Alpirez and Col. Mario Roberto Garcia have been indicted and relieved from duty so they can defend themselves. According to Robert Torricelli, a Democratic congressman from New Jersey, Alpirez perpetrated the Devine crime while working for the CIA.

President Comments on Devine, Bamaca Cases

PA3005003895 Guatemala City Teleonce Television in Spanish 0400 GMT 29 May 95

[From the "Telepress Newscast"]

[FBIS Translated Text] The government has been reticent and cautious in reacting to reports about the arrest in Venezuela of Captain Hugo Roberto Contreras Alvarado, one of the military men sentenced in the murder of U.S. Citizen Michael Devine. Over the weekend there were reports of this.

[Begin recording] [President Ramiro de Leon Carpio] There is nothing official on this, and therefore I cannot state my opinion on the matter. We have nothing official confirming whether this report is true. For obvious reasons, I cannot comment because efforts are still being made to recapture him.

[Unidentified reporter] Today it was reported that a group of presidential staff members left for Venezuela. Is this true?

[De Leon] A commission has been formed within the context of our efforts to obtain results in the case of Michael Devine. There is the objective of recapturing Capt. Hugo Contreras, who was convicted and sentenced to 20 years in prison and who escaped. The Guatemalan state has an obligation to recapture him. Various actions have been carried out with this end in mind. We have offered a 100,000 quetzales reward in this case, as in other cases, to anyone providing information leading to locating and arresting Contreras.

Posters and the print media have been displaying pictures of Contreras. We have learned that Contreras has been in another country, and we are working with the government of that country through our embassy

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there, as well as through a commission that is not from the presidential staff but, rather, a commission formed to work on this case specifically.

[Reporter] What about the presence of U.S. senators in Guatemala, Mr. President?

[De Leon] Yesterday, I met with them, along with the U.S. ambassador, for about an hour and a half, or an hour and 45 minutes or so. We had a very positive, cordial conversation. We discussed matters on their agenda and other issues on my agenda, particularly the excellent bilateral relations that exist between the United States and Guatemala. We spoke about these relations and about improving them in every way.

We also discussed the drug trafficking issue, the struggle against drug trafficking, and the planting of drug crops, but mostly about drug trafficking. We discussed the importance of Guatemala fighting drug trafficking with U.S. assistance. By fighting drug trafficking, Guatemala is preventing the country's geographic position from being used to traffic drugs into more developed countries. By fighting drug trafficking, we help other societies, such as U.S. society. We do this by preventing the arrival in the United States of drugs that some people attempt to smuggle through Guatemala.

We also discussed the possibility of increasing aid and maintaining joint operations against organized crime.

We also spoke about the death of U.S. citizen Michael Devine and former guerrilla Commander Bamaca. I want to be emphatic about the contents of this conversation. I informed them of the Guatemalan Government's position. In the case of Michael Devine's death, there is total transparency. Evidence of this is what you have just asked me about recapturing Capt. Hugo Contreras, whose case is being handled by the courts. I confirmed to them what they already knew about his case.

In the case of Commander Bamaca, I was very clear in telling them that this pertains to the Historic Truth Commission [Comision del Esclarecimiento Historico]. This case resulted from the domestic armed conflict, and there are thousands of other cases involving the two sides. In line with the current government's policy, as well as the ongoing peace process, this case, just as all others that are a product of the domestic armed conflict that has been going on for more than 34 years, must be handled by the Historic Truth Commission, as agreed upon by the Guatemalan Government and the guerrillas.

I made them understand that this is the state's position and that the case of Bamaca and other institutional cases that were born from the domestic war should not produce any delay or obstruct the peace process in any way. I made them realize it is dangerous to start stressing cases from one side or the other, because this would only reopen cases that need to be studied by the Historic Truth Commission. I was clear in telling them these are two different cases: One is a common crime, which the state has the obligation to resolve; the other is a commonplace product of the domestic armed conflict, the Bamaca case, which must be handled by either the Verification Commission or the Historic Truth Commission. [end recording]

Government To Request Contreras' Extradition

PA2905222095 Mexico City NOTIMEX in Spanish 2040 GMT 29 May 95

[FBIS Translated Excerpt] Guatemala City, 29 May (NOTIMEX) — Foreign Relations Minister Marithza Ruiz de Vielman today disclosed that the Guatemalan Government will request the extradition of Guatemalan Captain Hugo Leonel Contreras, if his reported detention in Venezuela over the weekend is confirmed.

"The Foreign Ministry is willing to cooperate at the request of the Government Ministry, because such a detention falls under its jurisdiction," the foreign minister confirmed while commenting on Contreras, who was involved in the 1990 murder of U.S. citizen Michael Devine. According to the foreign minister, the Guatemalan Government is awaiting an official report from the Venezuelan Foreign Ministry on the detention of the military officer, who escaped from a military prison on 23 March 1993 after being sentenced to 20 years in prison on murder charges.

Interpol would have to issue the transfer warrant and, "we hope we have no problems," the chief of Guatemalan diplomacy pointed out. She also reported that the Guatemalan Embassy in Venezuela is making preparations for a special group to be appointed by President Ramiro De Leon Carpio to locate and capture Contreras in South America.

"At this time, Contreras' capture has not been confirmed, and as soon as we have difinitive information, we will make it public," the official underscored. [passage omitted]

Nicaragua

Government, Legislature Fail To Reach Agreement

PA2605141895 Managua BARRICADA in Spanish 25 May 95 pp 1, 2

[Report by Carlos Garcia Castillo]

[FBIS Translated Text] The representatives of the Executive and Legislative Branches of government, who

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met for three and a half hours yesterday, did not reach any substantial agreements or manage to overcome their mutual distrust. One of the participants stated: "Perhaps the most important thing achieved was that we reestablished the channels of negotiations between the parties."

Violeta Chamorro was very vague about her appreciation of the results of the meeting. However, she asserted that both Dr. Ernesto Leal [Nicaraguan foreign minister and Executive Branch representative to the national dialogue] and [Nicaraguan Socialist Party] Deputy Luis Sanchez Sancho will work to "consolidate the proposals" presented by both branches.

The most tangible result of the meeting was that the parties decided to meet again next Wednesday to review "the unified agenda," [National Assembly President] Dr. Luis Humberto Guzman asserted. It was, however, evident that the parties only had moderate optimism and, thus, gave very conservative forecasts regarding the results of this new round of negotiations.

Several deputies, who participated in yesterday's meeting but asked that their names not be disclosed, even made apocalyptic forecasts in the sense that there are no other alternatives but to resolve the crisis or break the institutional system. A parliamentarian said: "We think the trend is toward the latter option." Dr. Luis Humberto Guzman said last night, however, that the decision to consolidate the agendas, without any predetermined deadlines, had been a extremely important step.

The Proposals

At the political dialogue between the leaders of the opposing branches, the deputies presented a counterproposal that gives priority to the issue of the validity of constitutional reforms.

Labor Minister Francisco Rosales reported that, for its part, the executive branch proposed that the issue of the validity of the constitutional reforms be separated from the debates and that they immediately extend the term of the current Supreme Electoral Council magistrates for a new six-year period. The official added that they had also proposed that "a notable" be elected to replace Dr. Rodolfo Sandino Arguello, who is a Supreme Court of Justice magistrate now.

The deputies also proposed that the Supreme Court of Justice be established, with its 12 members, so that they may resolve all the appeals related to the reforms. Once this happens, the Assembly would be willing to renew the dialogue on the implementation of the reforms and to cover a broad agenda that includes issues such as the harmonic relationship between government branches and the search for agreements on the Electoral Law, Municipalities Law, Labor Code, Tax Code, Teachers Career Law, Electoral Ethics Code, Telecommunications Regulations Law, and Copyright Law.

Army's 'Impartiality' in Government Dispute Stressed

PA3005013795 Havana PRENSA LATINA in Spanish 1916 GMT 29 May 95

[By Pedro Rioseco]

[FBIS Translated Text] Managua, 29 May (PL) — The General Command of the Nicaraguan Army today stressed its call on the state branches, political parties, and public officials to patriotically resolve the current institutional crisis for the sake of national stability.

Following the conclusion of a ceremony to promote military officers at military headquarters in this capital, Army General Joaquin Cuadra strongly criticized those people, "blinded by partisan, group, or personal aspirations, intend to pursue personal interests at the expense of national interests."

"They," he stressed, without mentioning names or posts, "will always run into the firm and determined position of all of us who respect the law, order, and peace," thereby stressing the military's impartiality in the dispute between the government branches.

In statements to PRENSA LATINA, Cuadra supported the position national political and religious leaders have voiced on the need to negotiate a solution to the current conflict — a solution that, he said, cannot be solely legal or solely political.

Meanwhile, Assembly President Luis Humberto Guzman described as a positive step in this direction the executive and legislative branches' acceptance of Cardinal Miguel Obando as a mediator. Obando has historically fulfilled major duties in this regard [words indistinct] "the Maranosa," in which three military officers and 13 armed rebels died, showing his interest in duly explaining such incidents in accordance with the law.

Nicaraguans must be proud, Cuadra asserted, to observe the Army's obedience and respect for the law and the first time in national history in which civilian authorities learn of military actions in accordance with what is stipulated in the armed institution's new code.

Likewise, Gen. Cuadra announced that all officers have already submitted their financial disclosure statements to the Comptroller General's Office in compliance with the Republic's provisions set up to guarantee the integrity of public officials.

During the ceremony, two colonels, three lieutenant colonels, 40 majors, 90 captains, 34 first lieutenants,

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and 100 lieutenants were promoted. They received their commissions in the presence of Presidency Minister Antonio Lacayo, members of all state branches, and the High Command of the armed institution.

Editorial: Helms-Burton Bill 'Assault' on Sovereignty

PA2705171795 Managua BARRICADA in Spanish 26 May 95 pp 1, 2

[Editorial: "The Helms-Burton Bill: Serfdom or Self-Determination?"]

[FBIS Translated Text] The Helms-Burton bill, which has been submitted for debate at the U.S. Congress, is another ferocious assault by Washington on international law and every other country's exercise of sovereignty.

Pulled from the gloomiest pages of imperial history, this death bill seeks to redouble the political and economic blockade on Cuba and buttress efforts to restore the blue-water island to anti-Castro gangs.

The Helms-Burton bill does not merely go to extremes in stiffening the blockade on Cuba, but also in extending the sanctions against countries, firms, or individuals with productive and commercial ties to the Cuban Government.

In the opinion of the tiresome sponsors of this measure, the *UN Charter, the Universal Convention on Human Rights,* the rights and duties of states, the UN General Assembly's condemnation of the anti-Cuban blockade, the Rio Group, and the international consensus against U.S. sanctions mean nothing. The only things that matter are arrogance of power and contempt for a nation that stood up against those who will only be happy with the island's annexation.

If the Helms-Burton bill becomes law, it will not only drain the already anemic international legal system, but also the U.S. legal structure, because it violates U.S. commitments under *NAFTA* and other bilateral agreements on investment, commerce, and navigation.

It also runs counter the U.S. law of negotiating claims with other countries, adopts sanctions against third parties that have absolutely nothing to do with the nationalization of the disputed properties, and establishes an unprecedented connection between nationalization and economic involvement within a country.

With the ban on any U.S. individual or corporation to grant loans and financing to individuals or entities that conduct business with properties seized by the Cuban Government, the United States would become in an outrageous policeman of international investors and, at the same time, would deny governments the sovereign right to regulate their authority over properties within their borders.

To adopt a position against this huffy measure does not merely represent a commitment to the principles of solidarity with the beloved island, but it also is an urgent necessity to defend national interests in the face of the amendment against Nicaragua by lunatic Congressman Robert Torricelli.

Panama

Lawmaker Accuses U.S. of Attempting To Discredit Nation

PA2705152095 Panama City EL PANAMA AMERICA in Spanish 26 May 95 p 3A

[Report by Aquilino Ortega Luna]

[FBIS Translated Text] Leopoldo Benedetti, vice chairman of the Legislative Assembly's Drug Commission, yesterday accused the U.S. Government of promoting a campaign to discredit Panama with the intention of moving the Colon Free Zone and the national banking center to Miami.

Benedetti said it was "strange" that all "drug" shipments are seized in Panamanian territory and never in the suppliers' territory or in the United States, one of the main consumers of these illegal products. The ease with which large shipments of illegal substances are detected in Panama is very strange, Benedetti asserted.

He added that everything seems to indicate that DEA authorities themselves are the ones who issue "tips" when the merchandise enters Panamanian territory in order that the drugs can be seized here.

"The DEA and the Canadian, UK, and German police agencies in Panama are the ones that issue the tips to get drug shipments to be seized in Panama," he stated. The United States, Benedetti argued, wants to tarnish Panama's image with the sole purpose of moving the Colon Free Zone and the national banking center to Miami.

"The North Americans want to discredit the fundamental points of our economy to their own benefit," he pointed out.

"The gringos want to have their fingers in everything that happens in other countries, whether good or bad," he added.

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Acting Foreign Minister on U.S. Bases Renegotiation

PA2705234595 Panama City LA PRENSA in Spanish 27 May 95 p 4A

[Report by Rolando Rodriguez B.]

[FBIS Translated Text] Acting Foreign Relations Minister Omar Jaen has reported that the Panamanian Foreign Ministry has not received a formal request from the U.S. Government to formalize the renegotiation of the stay of the U.S. military bases in the national territory.

The high-ranking official explained that to formalize a petition of this sort, it is necessary to resort to the regular government channels, because such petition, for the time being, has become nothing less than the "aspiration" of a group of senators led by Republican Senator Jesse Helms, who is a staunch critic of the Panama Canal Treaties.

A few weeks ago, Helms broached the possibility of his government renegotiating the status of U.S. military bases. Helms believes the signing of these treaties "was a stupid mistake."

The head of the Foreign Ministry, Gabriel Lewis Galindo, has previously said that Panama is not interested in renegotiating the bases and that, therefore, as long as there is no formal request by the Clinton administration in this regard, Washington is bound to comply with the closure of its bases in Panama before 31 December 1999.

Jaen pointed out that if there were an official request, the government must study it. However, he explained that there cannot be a reaction on something that has not yet occurred.

"These are the statements of a group of senators, and these are their appraisals and aspirations" on the U.S. bases in Panama, the acting minister affirmed while underscoring that "for us, that is not the opinion of the United States until its Executive Branch defines it to us through regular channels."

On another subject, Jaen warned that the problem of the land seizures in the military coordination areas that are not under Panamanian jurisdiction is an issue about which the Panamanian Government is deeply concerned.

The government official explained that measures are being taken to better coordinate with U.S. authorities, who are still responsible for the use of these areas, how to prevent these seizures and to ensure the occupation of the reverted areas will take place in a planned and orderly fashion.

PRD Not To Pressure President To Demand U.S. Compensation

PA2705234495 Panama City EL PANAMA AMERICA in Spanish 27 May 95 p E-12

[Report by Aquilino Ortega Luna]

[FBIS Translated Excerpt] Gerardo Gonzalez, president of the ruling Democratic Revolutionary Party (PRD), said yesterday that the party will not "exert pressure" on President Ernesto Perez Balladares to "demand" that the United States pay compensation to relatives of the 20 December 1989 invasion victims.

Gonzalez said nothing regarding this will be demanded from President Perez Balladares.

He also mentioned that former Vice President Guillermo Ford pledged to conduct an investigation on the missing people and an evaluation of the damage caused by the U.S. invasion, but he never fulfilled his pledge.

Gerardo Gonzalez said: "The missing people's list is not ready, and there is no evaluation of the damage sustained by the Panamanians."

The PRD leader said that the Endara-Ford administration failed to fulfill its pledges to the Panamanian people, simply because it was a government imposed by the United Staes.

"Any investigation in connection with the invasion would reveal the magnitude of the crime perpetrated by the North Americans," he indicated. [passage omitted]

Cuban Vice Foreign Minister Cited on Bilateral Trade

PA2705204295 Panama City EL PANAMA AMERICA in Spanish 27 May 95 p 1

[Report by Carlos Cordero]

[FBIS Translated Text] Cuban Vice Foreign Minister Jorge Bolanos yesterday reported that annual trade between Panama and Cuba totals approximately $70 million.

He said opportunities in Cuba's economy have paved the way for various joint ventures between Panamanian businessmen who live in his country and those who come from Cuba to Panama. He indicated that Panamanian businessmen are participating in the construction of hotels and all types of tourism investments. They also are offering support through banks and the financial system, and they are backing the installation of electric systems and other services.

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Bolanos came to Panama to participate in a series of conferences on Cuban national hero Jose Marti's life and accomplishments.

He explains that, with the changes introduced by Cuba in its domestic economy, the country has become favorable for foreign investments. Businessmen have availed themselves of this situation and a sizable part of the trade between the two nations is carried out through the Colon Free Zone.

Bolanos also said the Cuban Government will file a suit against the United States for violating the World Trade Organization's basic principles through the blockade it has imposed on Cuba for more than 36 years.

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Argentina

Foreign Ministry Condemns Taking of Hostages in Bosnia

PY3005030995 Buenos Aires TELAM in Spanish 2353 GMT 29 May 95

[FBIS Translated Text] Buenos Aires, 29 May (TELAM) — The Argentine Government has condemned the taking of Blue Helmets as hostages in Bosnia-Herzegovina, and it demanded that the United Nations adopt measures to guarantee the security of the units that are sent there on peace-keeping missions.

A communique released this evening by the Foreign Ministry states: "The Argentine Republic expresses its profound concern regarding the deterioration of the situation in the Republic of Bosnia-Herzegovina, and it energetically condemns the taking of UN Blue Helmets as hostages" by the forces of that country.

The document makes it clear that despite the fact that Argentina at this time does not have any forces in the region, it requested that "the UN Security Council guarantee the security" of the peace-keeping "units."

It also demands that "it clearly redefine its mandate in order to guarantee the efficient carrying out of the mission with which it was charged."

The communique indicates that the Argentine Government "desires to express its condolences to the French Government for the casualties that it has suffered among its troops and its solidarity with the numerous UN units "that have suffered and continue to suffer the abuses that have been referred to."

The statement highlights the fact that "Argentina reiterates its commitment to operations" involving peace-keeping missions, and "it urges the parties in conflict to resume dialogue and negotiations."

It also "expresses its willingness to continue with its cooperation and joint efforts within the framework of the United Nations, with a view to obtaining a durable peace in that European region."

Bolivia

Foreign Ministry Not Warned About Reduction in U.S. Aid

PY2605145895 La Paz Radio Cadena Nacional Network in Spanish 1100 GMT 26 May 95

[FBIS Translated Text] Acting Foreign Minister Eduardo Trigo has reported that the U.S. Embassy has not officially informed the Foreign Ministry about an eventual reduction of U.S. aid to Bolivia in 1996.

U.S. Ambassador Curtis Kamman had warned about this possibility when he said there are no resources for the balance of payments. Trigo reported that the Foreign Ministry has not been informed about anything of the sort.

[Begin recording] [Trigo] The Foreign Ministry has not been officially notified about this. I am aware that the press has published statements by Ambassador Kamman, but we have not been officially informed about the U.S. Embassy's position.

I understand that U.S. Government aid in 1996 will be similar to that of 1995.

[Unidentified reporter] Is the Foreign Ministry concerned about Kamman's warning?

[Trigo] No, because the Foreign Ministry has not received any warning. [end recording]

Decision To Enforce Copyright Legislation Reported

PY2705023595 La Paz LA RAZON in Spanish 14 May 95 p 6

[FBIS Translated Text] National Secretary of Culture Alberto Bailey has said that of its own will — and not under U.S. pressure — Bolivia will stop being a country that consumes "pirate" products," for which purpose it has already taken the first steps.

Among the conditions Bolivia has to meet relative to the United States — in order to obtain a certification that will provide support before international financial organizations — is to guarantee intellectual property rights and the drug enforcement effort.

Bailey admitted that by failing to enforce at least a single law for protecting intellectual property rights, "we are committing a crime." He denied, though, that the subject is being addressed in combination with the drug enforcement issue.

"Drug trafficking is another problem. We produce what they demand and we are committing no crime, but in the copyright area, we are," he said.

Consequently, "we adopted measures to prevent Bolivia from being a country of pirates," he added.

Respect Engenders Respect

Bailey added that the fact that copyright regulations are not respected in Bolivia has made the country violate international law. "Since no copyright payments are made in Bolivia, others do not pay for what is produced in our country," he said.

He noted that the topic had to be addressed sometime, in a comprehensive manner, because it is a national need.

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"This problem has been neglected in Bolivia, although for some years now, the artistic and intellectual community has promoted the awareness of several issues," he said.

Moderate Surveillance

The United States is deeply concerned about the million-dollar losses that piracy causes to its industrial sector, especially in the area of videos and computer programs.

The United States classifies pirate countries in four levels: The first level, at the top in terms of surveillance priorities; a second level with moderate surveillance; a third level, including a "watch list" [preceding two words in English]; and a fourth level of countries without problems.

Bolivia has just entered the third level; it is not in the first level, where sanctions would be possible, Bailey emphasized.

The U.S. Senate has approved Amendment 301, which permits commercial and economic sanctions against countries that ignore U.S. requests to respect copyright legislation.

Bolivia feels much concern about this topic because possible sanctions could have very negative effects on the economy of the country. The United States is the main market for Bolivian exports.

Modern Legislation

Bailey remarked that Bolivia has sufficient legal instruments, although there are still some gaps in the legislation. He reported that a commission has been created to establish the applicability of the Copyright Law.

A decree might be sufficient, but "there are other opinions, and we will try to reach a consensus, so that in one month we may have modern, expeditious legislation, along with the mechanisms for enforcing it, and the sanctions," he said.

Brazil

Court: Strike Illegal; Workers To Radicalize Strike

PY2705005895 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 26 May 95

[FBIS Translated Text] The Superior Labor Court (TST) today confirmed that the oil workers' strike is illegal. The 12 TST justices also confirmed the decision, made more than two weeks ago, of imposing a 100,000-real fine for each day not worked against labor unions that did not obey the court order to immediately return to work. The TST again considered null the 1994 labor agreement that had forseen a wage increase ranging between 12 and 18 percent for the oil workers.

After the trial, TST chairman Jose Juricaba da Costa said that the TST judged the case item by item to leave no doubts. He considered the possibility of an appeal against the TST decision by oil workers before the Federal Supreme Court as remote. The Oil Workers Sole Federation [FUP] can again appeal the TST decision. However, Costa said that the court decision has been clear.

The TST chairman also reported that yesterday he spoke with the FUP lawyer and asked him not to appeal and to return to work, in a demonstration of good will toward justice.

The TST chairman also spoke with Petrobras [Brazilian Petroleum Corporation] President Joel Mendes Renno and suggested that a reconciliation meeting be held. Renno, however, said he preferred to wait for the TST decision.

[Sao Paulo AGENCIA ESTADO in Portuguese at 2214 GMT on 26 May carries a report on the oil workers' strike that adds: "The reaction of the FUP and the Sole Workers Center, CUT, to the TST decision was to radicalize the strike. On the evening of 28 May, the CUT executive board will meet to suggest a general national strike, said CUT Secretary General Jose Maria de Almeida.

["After meeting for nearly three hours with oil workers' leaders, FUP Coordinator Antonio Carlos Spis announced that they decided to order workers 'to remain on strike, despite the court decision.' He added that the 'oil workers are not guided by TST rulings, but by decisions of their workers' assemblies.'"]

FNRVC Sues Oil Workers for Strike Losses

PY2705011195 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 26 May 95

[FBIS Translated Text] Fuel businessmen want to hold the oil workers responsible for the worsening of the crisis in their trade. The National Federation of Wholesale Fuel Commerce (FNRVC) today filed a lawsuit against the Sole Oil Workers Federation [FUP] demanding compensation for the losses they have caused.

According to FNRVC President Luis (Gius Siulfo), their sector has been suffering a crisis since July 1994, when they were prohibited from readjusting their profit margin. Their situation has become critical in the past 18 days as a consequence of the oil workers' strike, with fuel sales having dropped by 40 percent.

[Begin (Gius Siulfo) recording] We filed a lawsuit against the FUP because from the moment their strike

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was declared illegal, they have been carrying out an illegal action that is causing gasoline stations a loss of sales of 40 million reals per day.

I think consumers must be cautious; there should be no fear of a fuel situation collapse because this will not happen. Petrobras [Brazilian Petroleum Corporation] is administering its fuel stocks very wisely. The public could cooperate by consuming just what is necessary. We already recommended that gasoline stations remain open, and those which by chance do not have fuel to sell can close at night and on Sundays and holidays. [end recording]

The FNRVC reported that 20 or 30 days will be necessary to replenish the security or reserve stocks and to normalize fuel supply.

Status of Strike, Production Situation Updated

PY2705015295 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 26 May 95

[FBIS Translated Text] The oil workers of Cubatao, Sao Paulo have already decided that they will continue with the strike, ignoring court decisions.

Sixty workers are maintaining production at the Capuava refinery, in Greater Sao Paulo, but a decision on whether to continue with the strike will be made at an assembly at 1000 tomorrow.

The military police and the Army reinforced the guards at Henrique Lage refinery, in Sao Jose dos Campos. In the morning, the strikers received five tonnes of food donated by Paraiba valley unions.

In the afternoon, after the superior labor court announced its decision on the strike, oil workers called an assembly for tomorrow morning, when they will decide what to do regarding the strike.

In Paulinia, the largest Brazilian refinery, the Army permits entry only of those who want to work. Yet today 18 workers who were inside the refinery walked in the opposite direction. They were ordered released by the courts.

After listening to several workers, a Paulinia judge concluded that the employers were pressuring the workers to remain in their posts, threatening them with dismissal.

At the refinery gate, Army soldiers did not permit entry of the oil workers' union lawyer. The first worker to leave in the mid-afternoon had spent 64 hours in the refinery, and said he was very tired.

The workers who left the refinery are maintenance operators. Their work is essential, because it is they who maintain the operation of machines and equipment that should under no circumstances come to a stop.

After the releasing of the operators, engineers and department chiefs were summoned to perform this function.

Replan [Paulinia Refinery] authorities gave assurances that this will not affect the work at the distillation unit that was restarted yesterday.

The Presidente Bernardes refinery, of Cubatao, is the only one that has not resumed production. The 300 oil workers who have camped inside the refinery for 15 days held an assembly in the afternoon. They decided to continue with the occupation.

A group of local unionists staged a car parade to support oil workers, blocking the Anchieta highway — which links Sao Paulo and Santos — for 30 minutes.

The demonstrators laid on the pavement, causing a big traffic jam. They then returned to the refinery.

Here in Paulinia, oil workers have calmly received the superior labor court decision. They decided to hold an assembly at 1200 tomorrow to decide the course of the strike. One of the decisions that might be decided tomorrow is the collective resignation of workers.

Meanwhile, Army troops continue to occupy Replan, but no confrontation has been reported thus far.

The refinery superintendency has reported that the return of only eight workers will make it possible for the unit to partly resume kitchen gas and gasoline production.

In Rio de Janeiro, approximately 300 of the 2,200 workers of the Duque de Caxias refinery are still holding an assembly. However, they have already decided to continue with the strike, and determined that from now on, they will maintain round-the-clock picket lines at the refinery gates, in order to prevent the shift changeover of the employees who are still working.

According to Petrobras [Brazilian Petroleum Corporation], 300 workers of the operational area and 400 of the administrative service area are still working.

At the Getulio Vargas refinery, in Araucaria, Parana, the Army and the Military Police continue to stand guard. Soldiers will leave only after the situation returns to normal.

A group of Petrobras engineers has been at the refinery since yesterday, trying to start the machines. According to the refinery superintendent, production will be resumed slowly, but he gave assurances that the refinery will restart production over the weekend.

A short time ago, an assembly attended by 500 of the 800 refinery workers at the union's headquarters in Curitiba decided to continue with the strike.

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The fate of the strike in the Bahia, Rio Grande do Sul, Minas Gerais, Ceara, and Amazonas facilities will be decided tomorrow.

According to Petrobras, of the 11 Brazilian refineries, only two have discontinued operations. The other nine are producing oil byproducts to guarantee supply.

Manaus refinery — Its normal production is 11,000 barrels per day. Today it maintained this production level, which has not changed since the beginning of the strike.

Fortaleza asphalt factory — It produces 5,000 barrels per day. Its production today was normal.

Landulpho Alves refinery, in Mataripe, Bahia — Its normal production is 149,000 barrels per day. Today it produced 80,000 barrels.

Gabriel Passos refinery, in Betim, Minas Gerais — Its normal production is 145,000 barrels per day. Today it produced 150,000 barrels.

Duque de Caxias refinery, Fluminense area — Its normal production is 226,000 barrels per day. Today it produced 50,000 barrels.

The Sao Paulo refinery of Henrique Lage, in Sao Jose dos Campos — Its normal production is 214,000 barrels per day. Today it produced 150,000 barrels.

Capuava refinery, Maua — Its normal production is 38,000 barrels per day. Today it reached its normal production figure.

Replan, in Paulinia — Its normal production is 302,000 barrels per day. Today it produced 90,000 barrels.

Presidente Bernardes refinery, in Cubatao — Its normal production is 167,000 barrels per day. No production today.

Presidente Getulio Vargas refinery, in Araucaria, Parana — Its normal production is 170,000 barrels per day. No production today.

Alberto Pascholine refinery, in Canoas, Rio Grande do Sul — Its normal production is 113,000 barrels per day. Today it produced 60,000 barrels.

Petrobras To Study Legal Measures Against Oil Workers

PY3005014795 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 29 May 95

[Live report by Alexandre Garcia from Brasilia]

[FBIS Translated Text] President Fernando Henrique Cardoso has ordered that Petrobras [Brazilian Petroleum Corporation] consult the attorney general to learn what measures can be adopted in view of the oil workers' disrespect for a court order. According to a Superior Labor Court justice, the oil workers' disobedience is so serious that if the case were the other way around, and the court had ruled in favor of the oil workers and the president had ordered Petrobras not to comply with the ruling, the president would be liable to impeachment under Article 85 of the Constitution.

A few hours ago, Antonio Carlos Spis, president of the Sole Oil Workers Federation, reported that former President Itamar Franco had phoned him to tell him that he had informed President Cardoso of the labor agreements and negotiations carried out last October and November, which the labor court recently invalidated. Spis said he hopes to negotiate with the government, and he noted that some politicians offered to mediate. Senator Eduardo Suplicy and Deputy Luciano Zica spoke with the Petrobras president.

Not long ago, the Petrobras president said that negotiations with the oil workers will be resumed as soon as the strike ends. Right now the mines and energy minister is attending the daily evaluation meeting of the Petrobras executive board, which arrived at the following conclusion: The production of oil stands at 390,000 barrels of oil per day; gas production stands at 83 percent. the airports of Rio de Janeiro and Sao Paulo are receiving aviation fuel from the refineries of Sao Jose dos Campos and Duque de Caxias. Of the 47,500 Petrobras workers, 12,000 are still on strike, according to Petrobras.

Cardoso Visits Parana Under 'Tight' Security Measures

PY2605224395 Rio de Janeiro Rede Globo Television in Portuguese 1615 GMT 26 May 95

[FBIS Translated Text] President Fernando Henrique Cardoso arrived in Apucarana, northern Parana State, under tight security measures. The president has just dedicated the first rural housing project in the country. The project, which has been implemented by the Parana State administration, seeks to provide housing facilities to low income farmers and thus prevent them from migrating toward large cities.

President Cardoso arrived in Apucarana under tight security measures. He refused to wear a bulletproof vest. Wearing a sport shirt and appearing to be in a good mood, the president commented on the oil workers strike:

[Begin recording] I urge them to return to work. I have time and again said that we will respect the court decision. I have also said that my administration and the Brazilian Petroleum Corporation are open to dialogue.

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There is no reason for the strike to continue because it is hurting the nation and the people. I trust that common sense will prevail. [end recording]

More than 700 Army and military police personnel surrounded all access routes to the rural housing project. Security personnel frisked demonstrators and checked their signs. They also used metal detectors. Not even peddlers selling peanuts went unchecked.

The police sealed the entrance to the housing project to prevent ordinary people from entering the area. Security measures are so tight that helicopters are overflying the entire area, following the route taken by the president and his entourage. After the president arrived, no one else could enter the area.

President Cardoso Announces Deindexation of Economy

PY2705023695 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 26 May 95

[FBIS Translated Excerpt] During a speech he gave today in Apucarana, Parana, President Fernando Henrique Cardoso announced that he will end the indexes that prefix interest rates and fuel inflation and make interest rates climb.

[Begin Cardoso recording] For that, we will have to deindex the economy. Our experts will say how and when it will be done, but it will be done. We will do it with a sense of responsibility. Yesterday, when I gave an initial signal by establishing a bearable interest rate and by indicating that the inflation will remain under control, I showed that there is a possible way. I will take more steps as they are possible, but do not ask me to take steps beyond my reach. Do not ask me to give something for which the people must be sacrificed. I will not do that. [applause] I will not do anything that will fuel inflation, because inflation strangles the poor, not the rich. It strangles not the large companies that know how to defend themselves, but the poor and humble who have no defense, no way of preserving their salaries. [end recording] [passage omitted]

Cardoso Turns Down Regional Secretary's Resignation

PY2905181695 Sao Paulo AGENCIA ESTADO in Portuguese 2312 GMT 26 May 95

[By Tania Monteiro]

[FBIS Translated Excerpt] Apucarana, Parana, 26 May (AE) — President Fernando Henrique Cardoso has not accepted the resignation tendered by Regional Policy Secretary Cicero Lucena over the fact that five PMDB [Brazilian Democratic Movement Party] congressmen voted against the administration's proposal to end the state monopoly over telecommunications. Today, Lucena said the president had told him that he expects him to continue with his work because he believes that the PMDB congressmen's vote was just "temporary."

Cicero conveyed his resignation to the president during their flight from Brasilia to Apucarana, where the president dedicated a rural housing project with Parana Governor Jaime Lerner (PDT) [Democratic Labor Party]. Upon deplaning with the other members of the presidential entourage, Cicero said: "I presented my resignation to the president, but he wanted me to continue with my work." [passage omitted]

Late this afternoon, presidential spokesman Sergio Amaral said in Brasilia that "there is no reason for Cicero to resign over the fact that the Paraiba deputies temporarily switched their votes." Amaral said the president has confidence in Cicero and believes that the Paraiba deputies will again vote for the administration in the future.

Cardoso, Ministers Discuss Trade With Mexico's Gurria

PY3005005095 Sao Paulo AGENCIA ESTADO in Portuguese 2254 GMT 26 May 95

[FBIS Translated Text] Brasilia, 26 May (AE) — Brazil and its three Mercosur [Common Market of the South] partners (Argentina, Uruguay, and Paraguay) will begin negotiations to sign a free trade agreement with Mexico. The decision was one of the main results of the talks held here today by Mexican Foreign Relations Secretary Jose Angel Gurria with Brazilian administration officials, including President Fernando Henrique Cardoso.

Gurria said he could not give a date for the signing of the agreement, but described as feasible the period of two to three years from now mentioned by a journalist during a news conference he gave late this afternoon. He said Mexico has already overcome the worst part of the financial crisis that erupted in December 1994 and defended the neoliberal reforms — which are also picking up momentum in Brazil — implemented in his country. He said: "The crisis was not provoked by these measures."

In addition to meeting Cardoso, Gurria held separate meetings with Foreign Minister Luiz Felipe Lampreia, Planning Minister Jose Serra, Finance Minister Pedro Malan, and Justice Minister Nelson Jobim. At Itamaraty Palace, Gurria signed a document renewing the transport agreement existing between the countries, and discussed with Lampreia ways to increase economic and political cooperation between Brazil and Mexico.

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Gurria said: "We are going to start institutional contacts in what will mark a new stage in Brazilian-Mexican relations." He discussed with Cardoso the proposal for international organizations to create mechanisms for controlling the impact of speculative capital on the world's financial markets.

Gurria added: "We cannot allow the volatility of financial markets to destroy the structural reforms we have implemented during the past 10 years." In his opinion, the Mexican financial crisis, which ultimately had a smaller impact on Brazil and Argentina, has not undermined the reforms implemented by Latin American countries.

He said: "Deregulation, the opening of markets, privatization, and a smaller role for the state are measures that are intrinsically good." He added: "Incidentally, without them, it would have been much more difficult for us to overcome the crisis." Gurria announced that Mexico is obtaining surpluses again in its trade balance and that the crisis will have been completely overcome by the end of this year.

Two Brazilian Officers Held Hostage in Bosnia

PY2905180095 Sao Paulo AGENCIA ESTADO in Portuguese 1830 GMT 27 May 95

[By Carlos Franco]

[FBIS Translated Text] Brasilia, 27 May (AE) — Through the Armed Forces General Staff (EMFA), the Brazilian Government today received a report filed by Brigadier General Newton Bonuma dos Santos, head of the group of military observers taking part in the UN peacekeeping force in Sarajevo, noting that two Brazilian officers are being held hostage by the Bosnian Serb Army (BSA). They are: Artillery Captain Joao Batista Bezerra Leonel Filho, a nephew of the EMFA Chief Benedito Leoneo; and Infantry Captain Harley Alves, who was shown on a videotape by BSA forces.

General Bonuma reported that five other Brazilian officers are in Sarajevo: Army Captains Joao Chalella Junior, Flavio Marcus Lancia Barbosa, and Djalma Cesse da Silva; Air Force Major Jose Antonio Di anco Vazquez, and Army Major Marcelo Rodrigues Goulart. Maj. Goulart, who is currently in Zagreb, has been unable to join his other comrades.

The Brazilian Government was also informed that it is not known where Capt. Harley Alves — who appeared on a videotape shown by the BSA guerrillas — is being held. Capt. Bezerra Leonel Filho contacted the observers headquarters in the region at 0730 this morning. The report says that the other Brazilian officers are not facing any risk because they are stationed at a facility controlled by the Bosnian-Herzegovina Army, which is dominated by the Muslims who "are not hostile to the United Nations."

Gen. Bonuma's report concludes by stating that "thus far, the Brazilian officers participating in this mission are well, despite the difficulties affecting the task of all military observers." Earlier, he reported that "all of of the UN military personnel were unable to leave the area by air because the airport has been shut down. Similarly, roads are either blocked or controlled by the BSA." .

Government Excludes ESCA From Sivam; Keeps Raytheon

PY2905134695 Sao Paulo AGENCIA ESTADO in Portuguese 1536 GMT 27 May 95

[By Carlos Franco]

[FBIS Translated Text] Brasilia, 27 May (AE) — ESCA [Automation and Control Systems Engineering] has been excluded from the Amazon Region Surveillance System (Sivam) project because "it has failed to satisfactorily clear the charges pressed against it," including that of having committed a 7.8 million real [R] fraud against the National Social Security Institute (INSS). In a meeting presided over by President Fernando Henrique Cardoso at the Granja do Torto residence, the National Defense Council today decided to exclude ESCA from the project.

Presidential spokesman Sergio Amaral announced the decision and issued a communique to report on three other measures adopted by the National Defense Council: the Aeronautics Ministry will assume full responsibility for leading the software development process and for the integration of the system; the administration today signed a commercial contract to purchase the required equipment from the Raytehon-led consortium; and, following a selective process, the administration will choose another company in 120 days to ensure Brazilian participation in the project.

ESCA was the Brazilian company chosen to participate in the project because it had been responsible for developing the software for the Combined Air Safety and Air Traffic Control Center (Cindacta). Thus, the Brazilian Government waived the requirement for a public bidding. The ESCA experts will, however, be incorporated by the new company to be hired because the administration made it clear that it does not want to lose ESCA's technological expertise.

The Sivam project, which represents a R1.4 billion investment, was approved by the Senate in November [month as received] 1994 through a resolution of the Economic Affairs Committee that authorized the

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contracting of a foreign loan for the project. In the communique, the administration explains that following the approval of the funds, the Chamber of Deputies — through its committees on Supervision and Control; National Defense; and the Committee for the Defense of Consumers, the Environment and Minorities — approved the installation of a subcommittee and of a proposal to supervise and control Sivam.

After intensive work, the communique says, the National Defense Committee and the Committee for the Defense of Consumers, the Environment and Minorities approved a report drafted by rapporteur Luciano Pizzato (PFL-PR) [Liberal Front Party-Parana]. The communique adds that Pizzato's report "shows that a detailed investigation was conducted into the various aspects of the project." The documentation examined by Pizzato's report has prompted the decision made today. These documents consist of more than 800 pages which, the administration says, represents the effort made by Congress, by the federal organizations, and by the press.

The National Defense Council meeting was attended by the president of the Republic, the military ministers, the foreign minister, and the strategic affairs secretary. In the official communique, the president reaffirms that "it is the government's policy to adopt measures to ensure environmental protection, sustainable development, and security in that region (the Amazon), which has a key strategic significance."

Sivam Official: Senate Must Approve Raytheon Contract

PY2905164895 Sao Paulo AGENCIA ESTADO in Portuguese 1917 GMT 28 May 95

[By Cleber Praxedes and Carlos Franco]

[FBIS Translated Text] Brasilia, 28 May (AE) — Brigadier Archimedes de Castro Farias, assistant executive secretary of the Strategic Affairs Secretariat of the Presidency of the Republic (SAE), has announced that the contract for supplying equipment for the Amazon Region Surveillance System (Sivam) project — which was signed on 27 May by the Aeronautics Ministry and by a Raytheon-led consortium of U.S. companies — will go into effect only after it has been approved by the Senate. A provision has been included in the contract conditioning its validity on the Senate's approval of ESCA's [Automation and Control Systems Engineering] exclusion from the project.

Brig. de Castro Farias said: "Because the initial agreement provided for ESCA's participation as a contracting party, the contract signed between the administration and Raytheon has a clause specifying that the contract will go into effect only after it has been approved by the Senate." He said that by excluding ESCA, the administration made a decision that had not been foreseen in the Senate's initial resolution, which authorized it to hire ESCA without first going through a public bidding process. Therefore, ESCA's exclusion makes it necessary for the Senate to approve the Sivam project again. The contract signed yesterday envisages the selection, within 120 days, of a new Brazilian contractor. This means that the new contractor will also be selected without a public bidding procedure. The leading contender is Inepar [Parana Electromechanical Industry], which participated in the second stage of Cindacta (Combined Air Safety and Air Traffic Control Center). Inepar has incorporated the ESCA personnel who were involved in the Cindacta project, thus removing one of the adminstration's concerns; that is, to keep ESCA's technological expertise.

The administration decided to exclude ESCA from the project three days after the National Defense Committee of the Chamber of Deputies approved a report filed by Deputy Luciano Pizzato (PFL-PR) [Liberal Front Party-Parana], which was favorable to continuing with the Sivam project. The approval of Pizzato's report paved the way for the administration to receive the 1.4 billion reals in foreign financing for the project.

As a result of ESCA's exclusion, the administration will be able to count now on the support of the opposition. Deputy Jose Genoino (PT-SP) [Workers Party-Sao Paulo], a member of the National Defense Committee, last week said that although he is favorable to Sivam, he is absolutely against allowing a company charged with defrauding the social security system — as ESCA did — to continue to receive public funds. ESCA was chosen to manage the installation of the radar system in the Amazon region without a public bidding. Last month, ESCA was charged by the INSS [National Social Security Institute] with having forged more than 100 social security collection receipts. Because ESCA failed to disprove these charges, President Cardoso and the National Defense Council decided to exclude it from the Sivam project.

Chile

Former DINA Agent's U.S. TV Interview on Torture Viewed

PY2605145595 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1100 GMT 26 May 95

[FBIS Translated Text] The government has filed suit against former DINA [National Intelligence Directorate] agent Osvaldo Romo for his remarks to a U.S. television station. Yesterday, Justice Minister Soledadas Alvear

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reprimanded the prison police chief for allowing the interview.

Speaking from inside the high-security prison to the Univision television network, Osvaldo Romo caused a tremendous impact. The former DINA agent not only admitted having inflicted torture, he added that he is not sorry about it and that he would not hesitate to do it again.

The government decided to file suit against him. The charges were brought by Lawyer Luis Toro. Romo is accused of committing crimes like threatening officials and encumbering justice.

[Begin Interior Minister Alvear recording] He described his atrocious behavior while making fun of it, and for this reason we are studying criminal charges we can press against him for his remarks to that television program. [end recording]

Another consequence of Romo's case falls on the Justice Ministry. Prison Police Chief Claudio Martinez was called to explain the case. He said Minister Alvear conveyed her annoyance to him for allowing the interview without informing her, and for not clearly understanding that microphones are not allowed in high-security prisons.

[Begin recording] [Unidentified reporter] Did the minister reprimand you for allowing an interview with Osvaldo Romo?

[Martinez] I am a disciplined public official. Consequently, I will respect the justice minister's observations.

[Reporter] Do you still have the confidence of the justice minister?

[Martinez] She has reaffirmed her confidence, otherwise I would not be making these remarks and saying what I am saying. [end recording]

This is not all what happened in relation to the former DINA agent. The fourth Supreme Court chamber decided to keep the case of missing detainee Anselmo Radrigan Plaza under the jurisdiction of the civilian court. Osvaldo Romo is accused of the kidnapping. The fifth Supreme Court Chamber made this decision by a vote of 5 to 1, the later vote being that of General Fernando Torres Silva.

Ambassador to U.S. Interviewed on NAFTA

PY3005032895 Santiago ESTRATEGIA in Spanish 15 May 95 pp 23, 26

[Interview with John Biehl, Ambassador to the United States, by unidentified ESTRATEGIA reporter in Santiago "right before the inter—ministerial meeting on 12 May"]

[FBIS Translated Text] [ESTRATEGIA] Lately people have been saying that the Chilean Government should hire a lobby [preceding word in English] in the United States to advocate Chile's membership in the NAFTA. Are you in favor of this?

[Biehl] "Lobbyists" are an institution in the United States and one should have an idea of what they are. They are usually former administration members who sell their know-how regarding the power structure and their influence. There is a broad debate underway in the United States about the "lobbyists." Many people believe that they corrupt democracy, while others believe that they help get things done. Bills have been submitted seeking to curb their power. Nevertheless, our government should not rule out the use of "lobbyists" to attain certain objectives. It would be foolish to believe, however, that just because one hires "lobbyists," one gets what one wants. First of all, we must decide when to use them, what is the right time to do so, why, and for what purpose.

[ESTRATEGIA] To what do you attribute the growing pressure to resort to a lobby?

[Biehl] Partly to the fact that Mexico used very many "lobbyists" and spent millions of dollars. Even the Mexicans, however, acknowledge that this money was wasted and that it helped create an image that Chile would rather not have. Another reason for the increased pressure is that at first the "lobbyists" waited to be hired in Washington, but when this did not happen, they started traveling to Santiago, visiting a lot of people and telling them that unless they were hired, we would not get what we want. Many people go around repeating this without thinking. I am not saying this is wrong. Many "lobbyists" have partners in Chile and they want to be hired.

I find Chile's political atmosphere somewhat rarefied, somewhat petty. This is so because many people are talking about things they know nothing about. Even worse is the fact that some people who are supposed to be knowledgeable but are not do not care. They keep talking about and discussing a variety of issues, frequently uttering negative opinions because that is what seems to be more effective, because that is what draws the attention of the people, because.... I do not know what it is. Undoubtedly, Chile will resort, at the right time, to whatever means and ways allow it to attain its objectives. Is it justifiable, however, for us to spend thousands, millions of dollars to hire professionals to fight a battle which is not ours, a battle whose outcome we cannot influence?

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[ESTRATEGIA] Irrespective of what the decision may be on this issue, is the diplomatic team of the Chilean Embassy in Washington enough to cope with everything that negotiating with the United States implies?

[Biehl] That is relative. The Chilean state apparatus has been unable to keep up with the times as well as private business has. Private business has retrained its cadres to cope with the competitive market economy, which has been so successful. In doing so, private business has far outdistanced the state apparatus, which is by and large sluggish, and manned by personnel somewhat frustrated by their low salaries that do not allow them to participate in cultural and political events.

The United States has posted 100 diplomats in Chile in an effort to understand our country, its businessmen, its approach to commerce, its politics. We, on the other hand, have 10 diplomats in the United States. This issue has been discussed, and in order to have a modern embassy, we will probably have to start thinking about paying the people better and hire experts whenever appropriate.

It would also be to our advantage to renew the once strong friendship between the U.S. Congress and the Chilean Congress. This should not be done just because of the NAFTA, or the affair of the poisoned grapes. I believe that the relationship between the lawmakers of the two countries should go much deeper than that.

[ESTRATEGIA] Some other issues have been coming up for debate and they have been severely criticized. One of them is the resumption of diplomatic relations with Cuba and the other is the reform of the labor laws. It has been said that these two issues are harmful to NAFTA negotiations.

[Biehl] Some time ago I said that Chile should not be so focused on the NAFTA issue, and this is exactly what I had in mind. We should foresake this tendency of saying things that are untrue, of basing our opinions on false premises, and we must also stop linking everything to the NAFTA because it should not be that way. One of Chile's characteristics is its historical sense of honor, which drives it to be proudly independent. We should not tie decisions pertaining to the essence of our political freedom, our sovereignty, and our democratic political process to the possible outcome of the negotiations. Our history, our honor as a free country, does not allow it.

We cannot be told that we will not be allowed to join the NAFTA if we send an ambassador to Cuba. For God's sake, I do not believe that a single Chilean is prepared to tolerate something like that. If we are sovereignly discussing labor laws, we should not allow ourselves to be coerced by an international treaty. I do not think that is right. I believe that there is more to Chile than the NAFTA. Something is wrong here; there is some kind of misguided obsession. Our nation, our history, our traditions, our approach to the future, our relations with other nations, should give us a much broader outlook.

We are not supposed to discuss mining investments because of the NAFTA. We are not supposed to discuss labor reforms because of the NAFTA. We are not supposed to make political decisions regarding our international relations because of the NAFTA. What is left to us? Are we supposed to tie our lovemaking to the NAFTA as well? For God's sake, something is wrong here, something is very wrong indeed. Let us keep things in perspective.

[ESTRATEGIA] Don't you think that the variety of statements that the administration has made about the NAFTA has created not only great expectations, but a lot of confusion as well?

[Biehl] You are probably right, but I believe that corrective action is being taken already. I believe that we all may have made mistakes on this subject, but the important thing is that now that the inter-ministerial council has been created and the various ministries have taken action, remarkable progress has been made. I believe we are on the right track.

I find it surprising that we have been able to assemble in a very short time a team to properly negotiate with the EU, the Mercosur [Common Market of the South], the APEC [Asia Pacific Economic Cooperation], and the NAFTA. We were able to accomplish this. Thus, if we maintain and broaden this alliance between the administration and private business, we will be able to defend national interests well, and to become part of that world, perhaps as a small and humble country, but one that contributes to solutions rather than to problems.

[ESTRATEGIA] Since, on the occasion of the Miami Summit, the "three friends" invited Chile to join the MAFTA, what will happen at the continental meeting in Denver?

[Biehl] The purpose of that meeting is to assess the progress toward the great free trade zone that we all pledged to attain by the year 2005. The treatment Chile will be given in Denver will show whether we are actually moving in this direction. Chile will act as a kind of gauge for the rest of Latin America. Everybody will be watching to see what happens, because if the North Americans cannot agree among themselves on how to handle these negotiations, be it because of the Mexican crisis or anything else, the credibility of the entire process launched in Miami will be in jeopardy. I believe, however, that irrespective of how serious the obstacles

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may be at this time, to represent a country whose strong image allows it to be taken into consideration for such a future is a source of great pride.

[ESTRATEGIA] What is the significance of the fast track [preceding two words in English] within this context?

[Biehl] Throughout the history of the United States, there has always been a power struggle between the executive and the legislative branches. At times they seem to be fighting each other so hard that it does not look like there could be a solution to the problem. Yet, they reach agreements, and that is the way U.S. politics and democracy works. This power struggle, as it affects the case of Chile, has been complicated by several factors: For the first time in 40 years, the Republicans have gained control of both the House of Representatives and the Senate. Moreover, after Chile was invited, Mexico had a terrible crisis, which moved many enemies of the NAFTA to say "see, we were right," and many people felt cheated by what happened in Mexico. There has been a rebirth of distrust in these kinds of commercial agreements. Because of all this, the fast track issue took another turn.

Some people are seeking support for petitions that the fast track be tied to the requirement that all NAFTA members be democratic, to forestall the possibility of one of the members becoming a dictatorship at some point. Other people want to prevent the recurrence of the Mexican crisis by including financial requirements that would ensure transparent monetary and anti-inflationary policies, and they want to address the labor and the environmental issues as well.

Meanwhile, the majority in Congress is saying: "We believe in free trade and we believe that commerce should not be tied to other issues." This is what they call the "clean" approach, one that is not tied to labor or environmental issues.

[ESTRATEGIA] What if no agreement is reached?

[Biehl] I do not have a crystal ball. No doubt all these difficulties could preclude a positive agreement, but I do not believe that is very likely. The remarkable thing is that despite the very North American-like 100-day agenda, despite all the internal changes in the United States, despite Mexico's severe economic crisis, which has had repercussions all over Latin America, we are still on the agenda.

The political debate about the fast track has nothing to do with Chile, although sometimes we find this difficult to understand. I am confident that we will end up with a positive agreement and that we will be able to negotiate. Sometimes, however, when U.S. society is divided by opposing viewpoints to which the various sides stubbornly adhere, no agreement is possible. One example I can give you is baseball: For one year the country was left without baseball, although it is a national sport. If they can do that, they can certainly leave Chile without the fast track and not care about it at all. Chile, however, does not deserve being given the same treatment baseball received, and I am confident that this will not happen.

[ESTRATEGIA] What has compelled the United States to keep Chile on its agenda? Was it to prove that the executive has the upper hand over the legislative in pre-electoral times? Was it the success of the Miami Summit, and the idea of an economic bloc that could stand up to the EU and Japan?

[Biehl] Chile shares the U.S. vision of the future, and the U.S. President's agenda includes maintaining the credibility of the Miami Summit proposals. If circumstances were so negative that no negotiations were possible, this vision of the post-Cold War future would experience a severe political setback.

The problems negotiations could encounter should not be insurmountable. We are not a threat in terms of economics or immigration, but whether we like it or not, we are a small country that has managed, in the course of three consecutive administrations, to overcome poverty on our own and grow spectacularly. Negotiations of this kind that could lead to a merger of the northern markets of the richest countries in the world and a country like Chile would be unique. It would put an end to the differences between the North and the South. Something like this has never been done before.

[ESTRATEGIA] Why do you say that the United States is going through a complex political situation?

[Biehl] These are new times. Throughout the Cold War, Democrats always controlled Congress in one way or another, and now the Republicans have control. Furthermore, the Republicans have promised to implement a new political approach that implies keeping campaign promises. That is what they have been doing in the first 100 days, during which almost 98 percent of the promises made within the framework of the Contract With America were approved. According to the experts, this is quite unusual. The Democratic Party is trying to come up with ways and means to overcome the setback it has experienced. Because of all this, I would say that the United States is experiencing extremely active and creative political times.

[ESTRATEGIA] How is President Clinton perceived?

[Biehl] Throughout his term in office, President Clinton has been regarded in the same way: The people respect

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him, he faces the facts and explains them very intelligently and knowledgeably, but he is not looked upon as a strong President. I do not believe, however, that anyone can rule out the possibility that he will be reelected even if current public opinion polls say something else. While the Republican Party has seven hopefuls fighting for nomination, in the Democratic Party there is no opposition to Clinton running for reelection. This is a sign that the President is not as weak as some people want to make him appear.

Colombia

Valdivieso Discusses U.S. Judicial Cooperation

PA2605185195 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1310 GMT 26 May 95

[From "Caracol's 0600 to 0900" newscast]

[Telephone interview with Prosecutor General Alfonso Valdivieso by Dario Arizmendi; place and date not given — recorded]

[FBIS Translated Text] [Arizmendi] [Words indistinct] and Electoral Affairs has confirmed the legality of your appointment by the Supreme Court of Justice. Good morning, Mr. Prosecutor.

[Valdivieso] Good morning.

[Arizmendi] Did you expect your appointment to be confirmed?

[Valdivieso] Well, this is what I expected, although, before the appointment, I had always said that I preferred not to comment because I felt I should accept any decision, as judicial decisions should be accepted.

[Arizmendi] What will happen to your term considering that there is another lawsuit pending at the State Council's First Section?

[Valdivieso] I prefer to think that my term will end in March 1996. I regard any other alternative as somewhat unlikely. There is intensive work to be done, and my officials and myself are used to the idea that our term will last until that date. Our rate of work points to an 18-month term. It is a very, very fast-paced. If a different decision is made, however, we will wait and see what happens.

[Arizmendi] Did you meet with Robert Gelbard, U.S. assistant secretary of state for international narcotics, yesterday? Was the meeting positive? Will the U.S. Government again cooperate with Colombia in judicial matters?

[Valdivieso] Our conversation touched upon judicial cooperation. Although Mr. Gelbard is not an official of the Department of Justice, with which full cooperation is established, he participated in the decisions that led to the suspension of judicial cooperation 15 months ago. Also, he is partly responsible for restoring cooperation on already ongoing legal proceedings, a cooperation that was agreed upon with the United States in October of last year. I think we are on the right track toward full normalization of cooperation. This is to say, supplying evidence for new trials. This has not yet been attained, but we believe that conditions for it are ripe. We expect cooperation to be restored fully rather sooner than later. [Arizmend] One last question. However, I would like you to raise your voice a little because the reception is poor. Mr. Carter has said that the U.S. Government would aid Colombia on condition that the Cali Cartel capos be arrested. Because you are in charge of this, the country now will be able to meet this official U.S. Government requirement.

[Valdivieso] I have not heard of any conditions. Anyway, this subject may have to be dicussed with the government. State security organizations clearly have been trying to capture the Cali Cartel capos. I expect such captures to take place and that the capos will be put where they belong, behind bars.

Magistrate Explains Valdivieso Decision

PA2805133595 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 26 May 95

[Telephone interview with Magistrate Amado Gutierrez Velasquez, president of the Fifth Section of the State Council, Electoral Court, by Caracol News Director Dario Arizmendi — live]

[FBIS Translated Text] [Arizmendi] At this time, we would like to greet State Council President Amado Gutierrez Velasquez. Please recall that yesterday the State Council issued its verdict stating that the appointment of Alfonso Valdivieso Sarmiento as attorney general had been carried out in accordance with the law.

[Unidentified correspondent] There have been a lot of expectations throughout the country, because a recent verdict by the State Council annulled a Supreme Court of Justice decision that demanded the resignation of then-Attorney General Gustavo de Greiff because he had reached the 65-year age limit. It had been claimed that all measures adopted from then up to the election of Alfonso Valdivieso as attorney general should be declared invalid. The justification for this belief was that the entire process leading to the appointment of Valdivieso had been distorted since, as the State Council was able to prove, the Supreme Court of Justice had overstepped its duties by demanding the retirement of then-Attorney General de Greiff because he had reached 65 years of age.

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[Arizmendi] Mr. Amado Gutierrez, there would seem to be some inconsistencies with respect to the two decisions delivered by the State Council related to Gustavo de Greiff's retirement, and the appointment of Alfonso Valdivieso. Would this not seem to be the case?

[Gutierrez] No, there are no inconsistencies; furthermore, that same topic was proposed in the indictment. With respect to this issue, I would like to say the following. I made the announcement yesterday about the verdict, but I was not the magistrate who prepared the opinion. [words indistinct] Therefore, I made the announcement as president of the State Council, but I was not the one who prepared the opinion. Magistrate [name indistinct] was the proposer.

Now, with respect to your question: The indictment that was filed before the Fifth Section also included a request calling for a repeal of the verdict made by the honorable Supreme Court, by majority vote, with respect to officials at the attorney general's office also being open to disqualification and retirement under the same conditions stipulated for all other judicial officials. However, from the moment the indictment was acknowledged, the proposer was very careful not to mention that the Fifth Section is only responsible for the issue dealing with Valdivieso Sarmiento's election process. In other words, the arrangement whereby the Supreme Court proceeded to undertake the election from a list of candidates sent by the president of the republic. In this respect, our jurisdiction was limited solely to the election and the confirmation process.

[Arizmendi] I understand, but did you ever refer to ...

[Gutierrez, interrupting] We did not have to touch that other issue because of two main reasons. First, because that was not [words indistinct] was a general verdict made by the honorable Supreme Court with respect to the same grounds for disqualification and incompatibility applicable to judicial workers also being applicable to all officials at the attorney general's office. This was a general verdict that the First Section was responsible for issuing a decision at a particular point in time and which it declared null.

[Arizmendi] I understand.

[Gutierrez] At any rate, we had nothing to do with that issue, because our jurisdiction is strictly electoral. Our responsibility is to decide if an election process was properly carried out and if the candidate selected has been confirmed properly. That is all.

[Arizmendi] Did you not render a decision with respect to the Alfonso Valdivieso's term in office?

[Gutierrez] No, because that issue does not fall under our jurisdiction. As relates to legal matters, a judge can only render a decision with respect to what falls under his jurisdiction. For example, since yesterday, I have been asked that same question several times by the media. We here at the Fifth Section cannot decide anything with respect to that because it is not an electoral issue. The issue here is related to term. The judge responsible for rendering an opinion on that issue will decide if by term it is meant concluding what's left of Mr. de Greiff's term, or if it is for four more years. At any rate it is not our responsibility to render a decision on the issue.

[Unidentified reporter] There has been much talk at various levels about pressures on the State Council. Did you in fact feel that you were under some type of pressure?

[Gutierrez] On the contrary. The country should learn a tremendous lesson from this experience, such as the need not to get carried away by a fertile imagination or by all the concoctions that would seem to arise whenever a controversial legal decision is pending. The country should allow its judges to deliver a decision without any pressure just as we were able to do yesterday. We met at 1030 in the morning and proceeded to discuss other issues, and after 1100 we started to discuss the opinion, which had been distributed a few minutes earlier. After having analyzed the opinion for a few minutes, it was approved by majority vote, without any pressure whatsoever. I have [words indistinct].

[Reporter] Magistrate Gutierrez, how can we legally explain that presumption with respect to the legality of an election not being raised, when the act itself leading to that election has been questioned? [sentence as heard]

[Gutierrez] As relates to this court, the issue must be confined to an electoral objection which is where our jurisdiction lies. Was the election carried out from a list of candidates sent by the president? Were there sufficient votes from the majority of the court? Does Mr. Valdivieso have the necesarry qualifications to occupy the position of attorney general? Are there any impediments to his occupying the position of attorney general? These are the issues we are responsible for. What you mentioned previously is not within our jurisdiction. Evidence of this lies in that another court of the State Council already delivered a decision on this issue. We are responsible only for election issues. It is similar to what could take place if an official, an [words indistinct], by resorting to an administrative act were to unilaterally dismiss a public employee, and appoint another one. We would be called upon to give an opinion solely with respect to the appointment, the

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dismissal aspect would be the responsibility of another bench. Another court would be responsible for deciding if the employee was legally or illegally dismissed.

[Reporter] Magistrate Gutierrez, then the election of Alfonso Valdivieso as attorney general is a closed issue? In other words, it no longer pertains to the State Council, and Alfonso Valdivieso has been ratified and confirmed as attorney general, and no further legal action will be able to remove him?

[Gutierrez] In our decision, we only limited ourselves to giving an opinion over those issues over which we are responsible. We added nothing else. The State Council rejected the claims of the indictment as far as our responsibility lies. In other words, we decided on the procedure followed during the election and the confirmation of Mr. Valdivieso. We have not added anything else, simply because we could not. An indictment was filed with us that included an issue which was not our responsibility. From the moment the indictment was admitted, we called attention to this, and we stressed that we would only render a decision on the election aspect. This is what we did. [Reporter] Thank you very much, Magistrate Amado Gutierrez Velasquez, president of the Fifth Section of the State Council, Electoral Court, for your legal explanations with respect to yesterday's verdict. According to the court, Alfonso Valdivieso was properly appointed, and the confirmation of his election was in accordance to the law.

Foreign Minister Admits Differences With Gelbard Over DEA

PA2805230895 Paris AFP in Spanish 1613 GMT 27 May 95

[FBIS Translated Text] Santa Fe de Bogota, 27 May (AFP) — Colombian Foreign Relations Minister Rodrigo Pardo has admitted that the presence of DEA agents in Colombia prompted differences with Robert Gelbard, U.S. assistant secretary of state for international narcotics matters, during Gelbard's recent visit to Colombia.

In statements to the "CM& Newscast" on the evening of 26 May, Minister Pardo disclosed there were disagreements with Gelbard over how DEA agents should collaborate with Colombia in its fight against the leaders of the Cali Cartel.

During a 24-hour visit to Colombia on 25 May at the invitation of President Ernesto Samper to discuss the Colombian Government's fight against drugs, Gelbard met with Pardo. In the meeting, several discrepancies emerged.

In his statements to the "CM& Newscast," the foreign minister downplayed the differences with the U.S. assistant secretary — differences he deemed "normal within a negotiation process." Nevertheless, it was leaked to the media that Gelbard went as far as to tell Pardo "no one talks to the U.S. Government in that manner." According to what the media were able to learn, Gelbard reportedly made this remark when the high-ranking government official strongly defended Colombia's autonomy in laying down the guidelines governing the fight against drug trafficking.

When Pardo was questioned about this matter, he admitted Gelbard may have uttered the statement, pointing out, however, that "phrases like this come as anecdotes and posturing that are completely normal within a negotiation process."

In light of the U.S. assistant secretary's demands concerning Colombia's war on drugs, Pardo insisted such a war must be waged within the framework of a cooperation agreement, "which means both countries must do their bit." The minister added, "In turn, this means that one country must design the (antidrug) strategy, and the other must execute it."

Regarding differences over the role of DEA agents, Pardo warned the DEA must "fulfill minimum security requirements." He explained that the Colombian Government demands that all DEA agents who come to Colombia be subjected to the Vienna Convention as far as diplomatic and consular relations are concerned, which means they must arrive in Colombia as DEA agents, not as tourists, and must keep the Colombian Government informed about their operations.

Despite the differences with Gelbard, the minister said, "There is a feeling that we are moving forward and making progress, as well as that the United States and Colombia are closer than we were a few months ago. There is more trust and more dialogue."

In the end, the foreign minister reaffirmed that "the Colombian Government establishes" the conditions under which DEA agents must operate in Colombia.

Ecuador

Duran-Ballen, Security Council Study Demilitarization Plan

PA2605185095 Quito Voz de los Andes in Spanish 1700 GMT 26 May 95

[From "The Voz Andes Newscast"]

[FBIS Translated Text] Ecuadoran President Sixto Duran-Ballen will study, together with the National

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Security Council, the demilitarization plan proposed by the guarantor countries. The proposal by the guarantor countries on the zone that must be demilitarized in Alto Cenepa will be studied as of Monday, an Ecuadoran newspaper reports today. The creation of a demilitarized zone is one of the aspects of the Itamaraty peace agreement signed by Ecuador and Peru, following bloody clashes in a border region which both claim as their own.

Argentina, Brazil, Chile, and the United States, guarantor countries of the Rio de Janeiro Protocol, drafted a regional proposal which must be studied by the two Andean countries.

Peter Romero, U.S. Ambassador to Ecuador, said the proposal seeks to establish an area that will be acceptable to both Peru and Ecuador. Thus far I cannot say if Coangos in Ecuador and surveillance post number one of Peru are in or outside the zone, he said.

Defense Minister Jose Gallardo stated that the Teniente Hugo Ortiz and Coangos border posts in no way are included in the demilitarization plan.

At the same time, Ecuadoran Foreign Minister Galo Leoro Franco has emphasized that the area where the conflict occurred should be included in the zone being demilitarized.

Petroecuador's Budget Cuts Detailed

95SM0333A Quito EL COMERCIO in Spanish
12 May 95 p B-1

[Received via Internet]

[FBIS Translated Text] The crisis has spread to Petroecuador [Ecuadoran State Petroleum Enterprise], the once strong state enterprise which ranked seventh among Latin America's oil companies.

The provider of the largest amount of foreign currency revenues on which the nation's economic and social development hinges, Petroecuador is beginning to feel the impact of the government's political decisions: it will cut its 1995 investment budget by 43 percent.

While awaiting the decision of Congress on the fate of Ecuador's strategic sectors, the company has prepared a list of projects that it will transfer to the private sector for 77.738 million sucres.

In this way it hopes to ease its difficult situation, worsened by political problems and criticisms of its handling of the hydrocarbons sector, in which the construction of the pipeline expansion is the cornerstone.

The budget cut became a reality after Petroecuador's board of directors in Resolution No 007-95 (6 January 1995) stated that a commission composed of representatives of the ministers of energy and finance, Conade [National Council for Development], and Petroecuador's economic and financial director would review the proposed budget.

The discussions focused on the investment program and its financing.

Document 037 (1 March) reports that the commission, based on the transfer of projects to be developed by private enterprise, proposed a reduction of 77.7 million sucres. Investments fell from 972 billion to 894.8 billion sucres.

Later the monetary officials indicated that it is necessary to promote strict compliance with the government's goals for 1995 listed in the macroeconomic program, which states that public sector investments should be 7.1 percent of the GDP [Gross Domestic Product]. Based on this, Petroecuador's amount should not exceed 660.5 billion sucres.

To complete the emergency adjustment, they also supported a new cut in investments. This decision was made by delegates representing the Ministries of Energy and Finance, Conade, the Central Bank, and Petroecuador.

Based on these criteria, at subsequent meetings an additional reduction of 106.2 billion sucres was made, divided as follows: 21 billion from Petroproduccion, 28.8 billion from Petroindustrial, and 28.4 billion from Petrocomercial.

The parent company also felt the pinch: There was a cut of 30 billion in external credits that will not be administered by Petroecuador.

External credit declined from 443.1 billion to 179.3 billion, which will be used solely for the heavy crudes processing project.

Petroleum Investment Fund transfers were affected, declining from 274 billion to 200 billion sucres.

Work will be halted on recording seismic lines, production facilities for Coca Payamino Field, and the water injection project for Auca Field. Three wells for Conga Ocano Field and 22 development wells will not be drilled, nor will Panacocha Field be brought into production.

Development facilities for Nuevos Prospectos will not be installed, nor will an electrical pumping system be installed in six wells to recover production, and formation water will not be reinjected in various fields. Petroindustrial will not upgrade the Shushufindi gas plant or process heavy crudes. It will not purchase assets.

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Petrocomercial will not build the Pascuales-Cuenca Machala pipeline or carry out the pipeline communications integration project. Environmental protection projects will be affected.

Through Document 0269 of 25 January, the Ministry of Finance ordered the Central Bank to debit from Petroecuador's account 25.945 billion sucres ($10,664,885) which is Petroecuador's share of the foreign debt renegotiation process. The resources will be used to purchase zero coupon bonds.

What Will Be Privatized

In Petroproduccion: production facilities for Puma Field, the acquisition of 125 F-250 vans (being deferred until 1996), and the acquisition of an STOL-type small plane.

In Petrocomercial: The main privatizations will be: the security strip or relocation of the Beaterio Terminal in Quito; the study, engineering, and transport of liquid petroleum gas via the Esmeraldas-Quito pipeline; the study and engineering of the Baeza Terminal and of the Pifo-Ibarra pipeline; and the construction of gasoline facilities in Quito, Cuenca, and Guayaquil.

In the petroleum pipeline: the installation of crude analysis laboratories; a digital system for the pumping stations; vehicle acquisitions; and equipment to control maritime pollution.

Free Trade Zone With Colombia Increases Exports

95SM0333B Guayaquil EL UNIVERSO "SUNDAY" SECTION in Spanish 1 May 95 p 2

[Unattributed article]

[FBIS Translated Text] Quito. Increased sales, up from $147 million in 1993 to $220 milion in 1994 after the opening of the Free Trade Zone, are one benefit of the expanded market with Colombia, according to a study by the CEA [Center for Studies and Analysis] of the Quito Chamber of Commerce.

The study found some special positive results from the application of the Common External Tariff starting last February, as in the case of Ecuador, which is the principal recipient of Colombian investment in the world. And Colombia is Ecuador's biggest purchaser in the world, with the exception of the United States, whose trade is heavily weighted toward petroleum purchases.

In any case, the study indicates that if hydrocarbon sales are excluded, Colombia buys about nine percent of Ecuador's exportable production. If we add to this figure the foreign currency left here by tourists from Colombia, the Colombian market's purchasing capacity in relation to Ecuador is the largest in the world.

Vehicle Sales

According to the CEA, vehicles account for 27 percent of our sales to Colombia, followed in order of importance by seafoods, rice, food oils, corn, ethyl alcohol, and alcoholic beverages. In Ecuador the Colombian products in greatest demand are plastic, paper, and cardboard products, shoes, pharmaceuticals, products made of rubber, glass, and cotton, prepared foods, synthetic fibers, and vehicles and tractors.

Trade Liberalization Benefits Both Countries

The benefits of trade liberalization have been mutual, although the CEA says our balance of trade with Colombia has shown a deficit except in 1988 and 1993, so it suggests that Ecuador should promote sales of other agricultural and agroindustrial goods. At the present time about 350 items are sold to Colombia, ranging from minute amounts to large quantities. The report notes that the proximity of the two markets offers the undeniable advantage of reducing freight and insurance costs and minimizing the differences between FOB [Freight on Board] and CIF [Cost, Insurance, and Freight] values.

Opening the Border

Still, the CEA states that a number of structural and bureaucratic problems persist, leading to delays in making technical standards for the production of manufactured goods compatible, as well as problems in transporting merchandise by road, sanitation records, and other issues, which impede greater fluidity in the expanded market.

The CEA also noted that the Rumichaca border, which at times is the only means of access, is closed after 2200, reducing by a third the fluidity of tourism and trade. In no other border of the world, except in Uganda, does a similar situation exist.

Congress Agrees to Two Executive Vetoes on Reforms

95SM0345A Guayaquil EL UNIVERSO in Spanish 16 May 95 p 5

[Unattributed article]

[FBIS Translated Text] Quito. The National Congress renounced its prerogative to call a referendum and also denied that possibility to the Ecuadoran people, on agreeing to the partial veto of President of the Republic Sixto Duran-Ballen that only the executive can convoke a referendum.

It also agreed to the view of the executive with regard to the right of the state to withhold documents that might compromise national security.

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However, independent Diego Delgado proposed reconsideration of the portion that regards the right of the Ecuadoran people to convoke a referendum, which will be debated today.

52 Votes

The decision was taken by a vote of 52 of the 53 deputies present, from all of the congressional blocs.

The motion that was approved means that the National Congress agrees to the partially negative opinion issued by the president of the Republic, requesting the elimination of clauses a) and b) of the second unnumbered article of article 9 of the reforms passed by Congress, and sets aside the request of the president of the Republic that an article be included containing the text that appears in the second unnumbered article following article 53 of the reform proposal forwarded by him—because, as it is not part of the de facto assumptions of the reform passed by Congress, it is not constitutionally possible for it to be included by means of the presidential opinion, and that Congress is aware of the matter.

The motion cancels the second unnumbered article of article 9 of the second package of constitutional reforms, which said that the National Congress could decide to initiate referendums: with a favorable vote by two thirds of its members when a proposal for constitutional reform has been vetoed totally by the president of the Republic, and when it is requested by five percent of registered voters, on a subject of national importance.

According to the sense of the motion, the National Congress also set aside Duran-Ballen's proposal for the inclusion of a rule by which the Supreme Electoral Tribunal would have to proceed without delay to organize the referendum, without altering or opposing it.

Left Without a Quorum

The remaining points in the second package of constitutional reforms to which the president of the Republic objected were only discussed, because some of the Social Christian congressmen walked out, leaving Congress without the quorum needed to vote on a motion.

With regard to the opinion expressed by the executive on designating the Office of the People's Defender, Congress was not able to vote on the motion of the group of six blocs (MPD [Democratic People's Movement], APRE [Ecuadoran Revolutionary Popular Action], PRE [Ecuadoran Roldosist Party], ID [Democratic Left], DP [Popular Democracy Party] and FRA [Alfarist Radical Front]), who recommended insistence on the text approved by Congress, which stipulated that the people's defender must be selected by the National Congress, and not the Supreme Court of Justice, as proposed by the executive.

With respect to the opinion on the passage of legislation, it was proposed that Congress insist on the original text it passed, that if the executive sends Congress a proposed law on economic matters on an urgent basis, the 15-day time limit will not take effect if Congress is meeting in extraordinary session.

On the partial veto of habeas data, a consensus emerged during the debate to agree with the executive's opinion, that access to communications cannot put national security at risk.

In this portion, the executive recommended the inclusion of a clause stating "except for documents classified for reasons of national security," which was agreed to by all 40 of the 40 deputies present.

Debate Over Constitutional Reforms Continues

95SM0345B Guayaquil EL UNIVERSO in Spanish 17 May 95 p 5

[Article: "Congress Will Insist on Two Vetoed Reforms"]

[FBIS Translated Text] Quito. In the first round of debate, the National Congress last night resolved to insist on the texts regarding designation of the people's defender and the chapter dealing with passage of legislation. It also voted against reconsidering its position on the referendum.

In today's session, the outlook in the second round of debate is for insistence on the two proposals vetoed by the executive, and of initiation of debate on the 28 pending articles of the constitutional reforms.

The legislators voted unanimously in favor of insisting on the proposals approved by the National Congress on the two themes that were the subject of partial veto by the president of the Republic.

Regarding the appointment of the people's defender, they voted in favor of that person's designation by the National Congress, and not by the Supreme Court of Justice, as proposed by the Executive, inasmuch as the people's defender must examine and question administrative and judicial actions, so that it is indispensable for this official to maintain absolute independence from the executive as well as from the Supreme Court.

With respect to the chapter on passage of legislation, Congress resolved to insist that the 15-day limit not take effect when the executive sends an economic law to Congress on an urgent basis, when Congress is in extraordinary session.

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In last night's session, the National Congress denied reconsideration, proposed by deputy Diego Delgado, of the agreement to the partial veto concerning clause (b) of article 9 of the second package of reforms to the constitution, relating to referendums.

Delgado asked for reconsideration of the agreement to the veto, especially to clause (b) of article 9, which states "when five percent of registered voters request it on a matter of national importance."

Delgado said it was impermissible to disregard the decision of the Ecuadoran people that was expressed in the popular referendum of August 1994.

Leftist Deputies Confront PSC on Reforms

95SM0345C Quito HOY in Spanish 17 May 95 p 2

[Received via Internet; article: "The 40 Deputies Explain Their Intentions"]

[FBIS Translated Text] The agreement reached between the 40 left and center-left deputies is an attempt to defend the strategic areas and close the door to the so-called Administrators of Private Funds, AFPs.

Also, the agreement has political content, the aim of which is to lead a process of "popular" reforms that defend certain state institutions and oppose the pretensions of sectors on the right tied to private enterprise.

The allied parties hope that the Social Christian Party [PSC] will join them, since—according to them—it will have no other choice. In effect, the PSC will either open the way for a referendum without contributing its votes to the constitutional reform process (which politically is not to its advantage, they say), or else it will adhere to the agreement, with the disadvantage that it has not led the process, as it has claimed.

The "Quid" of Social Security

According to Gustavo Larrea of the APRE [Ecuadoran Revolutionary Popular Action], the agreement of the 40 establishes that an effort is underway to resolve the three problems that plague Ecuadoran social security: services, administration, and finances. To resolve the first problem, private enterprise would be permitted to provide services for Social Security. In administration, Social Security would become an autonomous entity which would invest the funds of its affiliates productively in the financial market, just like the AFPs. In financial matters, Social Security would become independent from the Finance Ministry, so that it could function as a productive enterprise, while not abandoning the principles of solidarity.

On the subject of strategic areas, a definitive text has not yet been decided upon. However, it was learned that state control will be maintained over nonrenewable resources, as well as over the so-called strategic areas.

PSC Demands "Real" Change

The Social Christian bloc has reacted cautiously to the left and center-left agreement on strategic areas and on constitutional reforms in general, although it warned that, if the reforms proposed by the group do not constitute real change, they will prefer a referendum.

"We will not renounce the party's position on reforms. If the texts that the 40 deputies present coincide with our position, we will vote for them. Otherwise, it would be better to call a popular referendum," said Heinz Moeller, who showed his irritation with the Democratic Left and Popular Democracy, because, he said, they had already reached agreement with his party on social security and public sector trade unionism.

According to Moeller, the reforms have to "go forward" and not become a mere cosmetic treatment of the existing constitution. In any case, he said, if the texts presented by the group of 40 constitute a good formula for the country, the Social Christian deputies will support them.

For his part, deputy Xavier Neira also said that if the agreement of the 40 signifies "real" reform, they will be prepared to vote for the texts, but if real change is not proposed, they prefer a referendum.

Consensus Reached on Social Security Reform

95SM0345D Quito HOY in Spanish 23 May 95 p 2

[Received via Internet]

[FBIS Translated Text] With an apparent consensus on the text proposed by the Commission on Constitutional Affairs, discussion began yesterday of the constitutional reform of social security.

Supporting this text are the Social Christian Party, and the left and center-left front formed recently in Congress.

The text says: Social Security "will be the responsibility of an autonomous institution; the police forces will have their own social security agency. The funds and reserves of Social Security are its own, distinct from those of the Treasury, and cannot be used for purposes other than its own. The resources of social security will be administered with technical financial criteria that guarantee profitability and growth of reserves, to reach a balance between contributions and services that

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benefits members and contributes to the development of the country."

It goes on to say that "social security services can be provided by public, private, or mixed institutions or enterprises, under the law, maintaining the principles of universality and solidarity in their design and execution."

Paraguay

President Wasmosy Fires Central Bank President

PY2605151895 Asuncion ABC COLOR in Spanish 26 May 95 p 3

[FBIS Translated Excerpt] On 25 May, Jacinto Estigarriba was fired from his post as president of the Central Bank. After asking for his resignation, [President Juan Carlos] Wasmosy immediately separated him from his post. Estigarribia lamented what happened and stressed that "there are hidden forces" that are pursuing him with hatred. He denied any links with Financiera Integral S.A., but acknowledged that Estansilao Barrientos, the chairman of the company's board of directors, is his personal friend. "I am not a thief. I am not corrupt. I have never stolen one guarani from the state," he stressed. [passage omitted]

Central Bank Places Two Banks Under Trusteeship

PY3005014395 Asuncion ULTIMA HORA in Spanish 29 May 95 pp 12, 13

[FBIS Translated Excerpt] The Central Bank this morning placed two local banks under trusteeship. The measure was adopted due to a lack of liquidity in the two banks. The objective is to rectify and safeguard the financial system.

At Government House this morning, President Juan Carlos Wasmosy reported the decision to place two local banks under trusteeship. They are the Paraguayan Commercial Bank (Bancopar) and the General Bank, including all their agencies. The measure goes into effect as of today, and the information was released with the participation of the economic team, the presidents of the two chambers of Congress, the president of the Supreme Court, leaders of political parties, the prosecutor general, and the attorney general.

Carlos Mersan Galli, the president's economic adviser, was the official spokesman, and he revealed the Central Bank measure. The Central Bank issued a communique this morning, with the approval of the economic team. The measure was adopted due to a lack of liquidity in the two banks, and to preserve and strengthen the financial system.

In this respect, Mersan Galli explained the need to place the two banks under trusteeship, and the decision to implement control measures in other banks that are experiencing problems of liquidity. He also mentioned the decision to accelerate the inquiry and to carry out all the necessary investigations.

The Central Bank's decision to place these two banks under trusteeship means that the managers of Bancopar and General Bank will be replaced by trustees. Moreover, the two banks can carry on with their normal operations, but under the management of the trustees.

Mersan Galli added that there are no plans to place any other banks under trusteeship, "but when this type of decision is made, those banks that are suffering liquidity problems must be examined closely. The financial assistance is enough to protect the resources of the depositors." [passage omitted]

Government Denies Purchase of Weapons Seized at Airport

PY2605234595 Asuncion ABC COLOR in Spanish 26 May 95 p 21

[FBIS Translated Text] In the name of Engineer Juan Carlos Wasmosy, General Jose Tomas Centurion, executive secretary of the National Antidrug Secretariat [SENAD], flatly denied that the weapons seized at the Silvio Pettirossi International Airport had been requested by the government.

The military chief read an official communique that refers to alleged importing of weapons by the government, and to the fire power of the weapons.

"According to the documents that were submitted by the importing company (Trading Import and Export) [name rendered in English], the Paraguayan Government was the final destination of the weapons. Regarding this document, the president and commander in chief of the Armed Forces, Juan Carlos Wasmosy, in a meeting with the executive secretary of the SENAD held in the office of the commander in chief, told the secretary general that the Paraguayan Government had not authorized the importing of weapons of this type for use by the national government," the communique states in part.

The communique adds that the documentation pertaining to these weapons submitted by the importer has not been authenticated by Paraguayan consuls, as required by law. Furthermore, it indicates that the quantity of weapons noted in the cargo documentation does not coincide with the import authorization that the representatives of the company submitted to the court.

Another passage of the communique that was read by the SENAD's executive secretary clarifies for the people

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that the cargo seized at the airport really and truly contains military weapons and not weapons for sport. It accuses those who made this assertion — in this case, the importing company — of trying to distort the incident and confuse public opinion.

The communique points out that the seals of the weapons that were confiscated indicate that they are 5.56 x 45 caliber weapons. This caliber develops an energy or force of 179 kg at the mouth of the weapon, and this is higher than what is established in Article No. 3, Resolution No. 397, of the Defense Ministry, which regulates Decree No. 23459/76. The latter decree establishes the rules and regulations for the purchase and use of firearms, powder, explosives, and related items.

"In view of their design, manufacture, and characteristics, the seized weapons are for the exclusive use of military and police forces; therefore, their ownership cannot be granted to any other person or institution. In addition, the seized weapons have bayonets, a collapsible stock, and 30-bullet magazines, which typify them as military weapons."

Judge Denies Receiving Death Threat in Terrorist Case

PY2605154495 Asuncion ABC COLOR in Spanish 26 May 95 p 24

[FBIS Translated Text] Criminal Judge Jose Emilio Yaluk on 25 May downplayed the news agency report from Jerusalem that an Arab organization had deposited $1 million in a bank so that it could be shared among Paraguayan authorities to prevent the extradition to Argentina of the Lebanese who were arrested in Paraguay.

The magistrate said: "I heard it this morning and I even received a call for an interview on the case from Argentina. I believe judges should be evaluated by the sentences they hand down, and I will hand down the sentence quite soon, as soon as the file case returns from the prosecutor general's office. It will be at that time that the people and the lawyers may judge he who judges."

Regarding an alleged death threat he had received to pressure him to not sign the extradition of the Lebanese, Yaluk denied having received any pressure.

"That is not true; they are mere rumors. I have not received a death threat," the judge said, indicating surprise.

"Judges are banned by law from giving information about the cases they are trying," he said, adding that he is awaiting the prosecutor general's decision.

Peru

'At Least Five' More 'Terrorist' Bomb Explosions in Lima

PY2605155995 Madrid EFE in Spanish 1445 GMT 26 May 95

[FBIS Translated Text] Lima, 26 May (EFE) — At least five different bank agencies were bombed today in Lima in a terrorist escalation that caused only property damage. The attacks are attributed to the maoist Shining Path gang.

The attacks come two days after the explosion of a car-bomb at a hotel-casino in the Lima district of Miraflores when four people died and at least 30 others were injured.

A police spokesman said the attack in Miraflores has apparently marked the beginning of a wave of terrorist attacks which have the characteristics of those committed by Shining Path.

The banks that were attacked, and which experienced some property damage, are in the heavily populated districts of Chorrillos, Chosica, La Victoria, Los Olivos, and San Juan de Lurigancho.

The resurgence of violence has shocked the people because such actions have not taken place for three years and because no one believed terrorism was still able to carry out an attack of such magnitude after the heavy blows it has received.

The first government response was the military intervention in state universities of La Cantuta and San Marcos, which were the object of a special control "because terrorist infiltration has been detected."

Meanwhile, the security forces have been placed on a state of "maximum alert" and have been mobilized to find the perpetrators of those attacks.

The Peruvian press reported that the National Counterterrorism Directorate (Dincote) has identified a terrorist — who is known by the alias of "Susana" — as the one who conducted the attack on the hotel-casino "Maria Angola" in Miraflores district.

The casino of that hotel will operate again today as the damage caused by the car-bomb explosion has been repaired.

Hotel service will also resume within the next few days thanks to the help of the union of hotel enterprises of Lima and of government officials.

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Venezuela

Caldera Presents Anti-Inflation Pact

PA2905190095 Caracas Venezolana de Television Network in Spanish 1706 GMT 29 May 95

[Speech by President Rafael Caldera on occasion of signing of a "declaration of intent" to sign the anti-inflation pact, at the Ayacucho Hall of the Miraflores Palace in Caracas — live]

[FBIS Translated Text] Former presidents, former president of the Government Junta, Messrs. Attorney General and Comptroller General, Mr. President of the Judiciary Council, Mr. President of the Supreme Electoral Council, Messrs. Ministers of the Executive Office, high-ranking military command members, Messrs. Governors, Most Reverend Bishops, Rabbi, Central Bank of Venezuela President, representatives of unions and other labor organizations, representatives of business groups, representatives of civilian society organizations, representatives of the political sector, ladies and gentlemen:

The signing of this anti-inflation pledge, no matter how you look at it, is a highly positive development. It is positive, first, because it is a testimony of solidarity. In this ceremony, its authors, who represent the most varied organizations of the country, from the public and private sectors, from civilian society in general, are recognizing the need to accomplish an action of solidarity and harmony among all of us who participate in the country's life to be able to cope with the fundamental problems we have encountered.

In addition, it recognizes the seriousness of the problem of inflation. This problems hurts all of us. It cannot be resolved through the actions of just one of the protagonists, since it, instead, requires consensus and a commitment to solidarity to be able to be respond to the country for this ... [pauses] curb of this inflationary spiral that undoes the best intentions and undermines the possibilities the national economy has of recovering.

To be sure, the government is aware of the immense responsibility it has and is ready to assume it. That responsibility has manifold manifestations. Certainly, one of them is related to the fiscal deficit. It is of no consolation to us that most of the countries of the world, developed and developing countries, are facing a fiscal deficit. We acknowledge, however, that the events that took place in 1994, caused by a major crisis in the financial system, worsened the fiscal situation that we had hoped to face successfully in the first months of the administration of the national government.

There are many manifestations to this fiscal deficit. We have, of course, worked hard on a tax reform that has an impressive scope. Those studying with scientific rigor the Venezuelan economy of recent years will have to admit that tax system reform has been one of the most important and significant events that has taken place in the current constitutional period. We established a modern tax collection system, facing a situation that — according to a report by the Comptroller General's Office that I received when I was the president-elect — prompted it to say 60 percent of taxes mandated by the law were lost because they went uncollected.

Moreover, as part of that tax reform, we have striven to make the heaviest burden ... [pauses] the heaviest burden fall on those who are the most able to withstand it, to, thus, try to open a path toward tax equality, as this is one of the basic demands of the idea of social justice.

On the other hand, as part of the objective and commitment to challenge the fiscal deficit, we must reduce public expenditures. We are convinced that this will only be accomplished as long as the problem is acknowledged by the legislative, the executive, and all sectors. The pressures currently being confronted in order for public expenditures to increase are practically uncontainable. If there is no genuine meaning and real conviction that we must all take part in the efforts to control those pressures, then whatever results are accomplished will be tremendously questionable. Every sector demands its share and tends to make demands by resorting to arguments which, on many occasions, are objective and sound. At any rate, when these arguments are assessed within the context of the overall problem, they only serve to cause more inconveniences in our quest for mechanisms to reduce the fiscal deficit to manageable proportions, which will undoubtedly bring about the major satisfaction that we must procure.

This major event taking place here today should contribute tremendously toward regaining a certain level of confidence, which is a fundamental element that will serve to boost the economy and motivate the country to move toward a better destiny. There are all sorts of wide-ranging possibilities, and Venezuela has more options that many other nations in our own continent, as well as throughout the world. The possibility of establishing strategic joint ventures in the petroleum sector is now open, and the executive branch has presented a project to the legislative branch the decision on which we are carefully overseeing in order for this door, which has been opened to investments, can swing open in a positive and auspicious manner. The mining sector, the exploitation of natural resources, our country's forest reserves offer tremendous opportunities.

To this end, we are currently drafting an unprecedented bill or proposal that will provide these sectors with the

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priority status they deserve, and with which they will not have to repeat the same steps the country's petroleum industry had to go through from beginning until the moment that the latest laws regulating the sector were finally implemented.

As relates to tourism, we have all sort of alternatives, and everyone who knows anything about the issue is quick to acknowledge that Venezuela has more future and possibilities than any other of its competitors.

With respect to small and medium-size corporations, we are currently undertaking tremendous efforts through Foncofin [Fund for Cooperation and Financial Assistance to Partnership Cooperation] and other state agencies to encourage this activity. Without any doubt this activity is one of the most promising as relates to employment opportunities and the likelihood of improving the nation's industrial sector.

Activity in the rural sector deserves and has received our deepest consideration. Despite the financial limitations the state has been confronting, we have also been willing to do whatever it may take to encourage, protect, and ensure a sufficient food supply in the country.

Public activity as relates to housing issues is not simply a matter of social interest. Neither is it a matter of merely providing households with a critical element that will allow it to improve and which is fundamental for the harmonious interrelationship of society in general. The housing sector is also one of the alternatives to encourage employment.

The concession system used to launch projects has been confronting some delays because of the hordes of evaluations and analysis that are required before the public announcement of the first initiatives. Nevertheless, this will be the year when opportunities in this sector will be available to investors.

We are seriously interested in resolving whatever differences may exist between the business and labor sector as these relate to social benefits. We are convinced that there is a positive climate, which may well lead to a just solution since it would make no sense to unilaterally impose solutions that would simply lead to more inconveniences and less favorable reactions than what the system itself offers. A report prepared by a technical commission has recently been made public; it is already open for discussion and is ready to be debated by all interested parties.

I reiterate that the government has made both sides aware of its interest in reaching fair solutions that will respect and maintain workers' rights, which we would be incapable of violating.

Social security is one of the most serious problems affecting the working class and the people in general, as are inflation and the cost of living. During the last few years, the crisis within the mandatory social security system has worsened. The number of mistakes is infinite, and each one has made the situation progressively worse. A commitment to solidarity such as this, opens the way to finding a solution, with the support of all those represented here today, which means the whole country, to such a serious, significant, and fundamental issue as is the social security system.

I am fully aware that Venezuela's every day life demands work and investment incentives. We are willing to seek all possible ways of encouraging job creation. We believe that stabilization, an issue we have presented before the country, is essential for the job creation process to find the incentives it requires.

We are intensifying education programs, both conventional plans and those plans we offer for drop-outs and people who have moved away from the regular education system. We are doing so fully aware and in the absolute conviction that this is something we cannot postpone; something we are obliged to try; although we know the results of educational reforms can only be seen with time.

Allow me to say that I have welcomed investors from all over the world in my office at the Miraflores Presidential Palace, who are seriously interested in being a part of the economic development of Venezuela. Groups of important business personalities have come from the United States and Canada, from Japan, Korea, Australia, Mexico, and Colombia, thus giving the three-part agreement we signed increased flexibility and enhancing the economic relationship between the three countries. We have an ever-closer relationship with Brazil.

It is the facts, and not illusions, that make us expect increased opportunities for the Venezuelan business community, workers, and all those who wish to contribute to the nation's well-being.

Our ties with Mercosur [Common Market of the South] continue to move forward, providing new and specific opportunities for the country's progress. Business representatives from Italy, Spain, and other European nations have expressed their interest in Venezuela. We have hosted very important and qualified delegations. The workers' unions, business associations, and government entities present here today can attest to that fact.

All sectors must now make an enormous effort. Once inflation takes root in a country, it demands enormous and united efforts to get rid of its effects, to eliminate

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it. This is why we need strong support and full comprehension from all sectors, including those who take action as well as those who influence the country's everyday life through public opinion.

We have never made an effort, not even the slightest gesture, to limit freedom of information and freedom of the press in Venezuela. I think, however, we are entitled to ask those who influence public opinion, the mass media and those with access to it, to pledge out of their own volition, realizing they are in solidarity with the Venezuelan nation, to provide truthful information, not to disclose statistics from unreliable sources, and not to foster expectations that come from any bulletin from any news media anywhere in the world and do not give a real and accurate portrayal of the situation in Venezuela.

On this topic, through this ceremony, we hope to make an impact on the awareness of the people. That impact is positive. We have the obligation to move ahead. From now on, each one has the commitment to do his share, by renouncing the things he may renounce and abstaining from exerting undue pressures that would derail the purpose that moves us on, which is a constructive, sound, and genuine national purpose.

Dear friends, I can tell you I am greatly moved by the presence of Venezuela here. Throughout the year and months I have been in office, the nation has hoped that a dialogue of this nature would be held. That dialogue could not be held in a few months and superficially, but rather based on an analysis of the problems, the discussion of stances, the concurrence among the attitudes of the diverse protagonists who participate in the national scene. Having achieved this step, for which I commend the effort Development Minister Werner Corrales and the other members of the cabinet have exerted, we are really satisfying the yearning, petition, and demand of all sectors, all groups, all distinguished Venezuelans who have the possibility of voicing their views before the public.

Four ministers have signed the anti-inflation pact on behalf of the national government. They bear the most immediate and direct responsibility, but all the ministers of the executive office acquire in a spirit of solidarity the obligation of working and guiding their steps through the norms established in this commitment to solidarity and the specific results that may be reached. All state organs, autonomous institutes, corporations, and state enterprises have this same obligation.

The word solidarity today shines luminously. We are going to try to keep it unblemished and beautiful, so that it may constantly remind us in our daily actions, our daily activities, of the fundamental duty we have acquired with Venezuela to work for and by Venezuela, with the conviction that if Venezuelan grows, all of us grow, if Venezuela fails, the failure covers us all. Those who think that with the failure of the country their own interests can advance harbor a vain hope. Those interests would be fictitious and ultimately devoid of the true substance that can give a secure life and a happy future to those who have them.

We have, therefore, to welcome today with joy, excitement, and satisfaction the anti-inflation pledge we have signed, and that I endorsed with the commitment of watching, so that all the signers of the pact, all the signers of this pledge, comply with all the obligations. I thank you all, for the contribution you have made to bringing this event to fruition, and I reiterate my faith and confidence that we will move Venezuela ahead. Toil and toil, as Federico Ramirez Leon [president of Confederation of Venezuelan Workers]) said, toil and toil which entails guarantees, encouragement, and progress for workers, and, at the same time, investment and encouragement, as business spokesmen have stated.

We have seen a significant harmony between the two sectors of production, between the business sector and labor sector. Each one is defending its rights, each arguing its stances, yet they understand that harmony, understanding, and fruitful work carried out through a joint effort are the things that will make us achieve the success we are obligated to achieve to reactivate the Venezuelan economy, so that we may open widely those horizons that appear before us for the greatness, progress, welfare, and future of our beloved Venezuela. Thank you. [applause]

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